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WEST EUROPE REPORT

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CONTENTS

THEATER FORCES

DENMARK

Briefs

Center-Democrats' NATO Stand 1

NETHERLANDS

Mission of Troops Stationed in FRG
(LEGERKOERIER, May 83)..... 2

NORWAY

Expulsion of Soviet Military Attache Could Hurt Peace Groups
(Thorleif Andreassen, Knut Falchenberg; AFTENPOSTEN,
24 Jun 83)..... 10

TERRORISM

SPAIN

Anti-ETA Police Action in Vizcaya
(Luis Maria Landaluce; YA, 26 May 83)..... 12

ENERGY ECONOMICS

NORWAY

Promising Large Oil Find Reported in Gullfaks Field
(Bjorn H. Tretvoll; AFTENPOSTEN, 22 Jun 83)..... 15

ECONOMIC

FINLAND

Officials Look To Increased Oil, Chemical Imports From USSR	
(HELSINGIN SANOMAT, various dates).....	18
Minister Sees Added Oil Imports, by Pentti Suominen	
Construction Projects Inside USSR Foreseen	
Companies Plan More Chemical Purchases	
Central Bank Move Will Mean End to Futures Trading in Rubles	
(HELSINGIN SANOMAT, 24 Jun 83).....	23
Construction Beginning on Plant for Making Soviet Rail Cars	
(HELSINGIN SANOMAT, 24 Jun 83).....	25

NORWAY

Central Bank Issues Optimistic Forecast for 1984	
(Bjorn H. Tretvoll; AFTENPOSTEN, 23 Jun 83).....	26
Firming Oil and Gas Prices Aiding Balance in Foreign Trade	
(AFTENPOSTEN, 22 Jun 83).....	28

SPAIN

White Paper Details Focus of Reindustrialization Plan	
(Carmen Parra; YA, 24 May 83).....	29

POLITICAL

FINLAND

Paper Says Conservative Party Congress Reflects Optimism	
(Editorial; UUSI SUOMI, 6 Jun 83).....	32
Columnist Views Declining Fortunes of Communists	
(Jukka Knuuti; UUSI SUOMI, 7 Jun 83).....	34
Changes in Communist Press Outlined	
(UUSI SUOMI, 7 Jun 83).....	36
Stalinist Press Organ Chief Issues Statement on Press Issue	
(Urho Jokinen; TIEDONANTAJA, 15 Jun 83).....	37

Stalinist Organ Attacks Moderate CP Paper for Pen Club Article (TIEDONANTAJA, 8 Jun 83).....	39
SKDL Socialists Take Stronger Stand in Attacking Communists (HELSINGIN SANOMAT, 23 May 83).....	41
Main Communist Party Organ Cuts Staff in Austerity Move (UUSI SUOMI, 19 May 83).....	44
ICELAND	
New Coalition Government Settles Into Power, Issues Program (MORGUNBLADID, 27, 28 May 83).....	45
Conservative Paper Gives Backing, Editorial Party Press Organs on New Coalition Ministers Discuss Fisheries, Economy New Independence Althing Leader Hallgrimsson on Foreign Policy Concerns Government Announces Program	
NETHERLANDS	
Den Uyl on Party's Relations With CDA, VVD (J. M. den Uyl Interview; ELSEVIERS MAGAZINE, 28 May 83).....	59
PORTUGAL	
Eanes Reportedly Pleased With PS-PSD Coalition (Editorial; A TARDE, 1 Jun 83).....	64
PCP Introduces Legislation in New Assembly (AVANTE!, 2 Jun 83, DIARIO DE NOTICIAS, 2 Jun 83).....	66
Bills Listed PCP's Disruptive Intentions Viewed, Editorial	
CDS Insiders Reportedly Upset at 'Swing to Right' (Manuel Anta; DIARIO DE LISBOA, 1 Jun 83).....	69
MILITARY	
DENMARK	
SDP Executive Committee Confirms Support for NATO (AKTUEL, 11 Jun 83).....	72

Leftist Independent Paper Discusses Ties to NATO
(Editorial; INFORMATION, 13 Jun 83)..... 73

Peace Movement Partly Responsible for Arms Firm's Troubles
(Ojvind Kyro; BERLINGSKE AFTEN, 10 Jun 83)..... 76

FEDERAL REPUBLIC OF GERMANY

Poeppel on Attitude Toward Army, Conscientious Objectors
(Hans Poeppel; EUROPÄISCHE WEHRKUNDE, May 83)..... 80

FINLAND

Officer Examines Defense Budgets, Materiel Acquisitions
(Jorma Juottonen; HELSINGIN SANOMAT, 15 Jun 83)..... 88

NORWAY

Expelled Attache's Spying Seen as Part of Wider USSR
Effort
(AFTENPOSTEN, 24 Jun 83)..... 92

SPAIN

PCE, Basque 'Antimilitarists' Stage Protests
(EGIN, 25 May 83)..... 94

Protests in Zaragoza
PCE Supporting Demonstrations

Officer Interprets 'Armed Forces Professionalization'
(Angel Santos Bobo; YA, 25 May 83)..... 97

AEROSPACE SCIENCES

NETHERLANDS

Involvement in Satellites, Other Space Technology
(A. M. de Gouw; ONS LEGER, May 83)..... 100

BRIEFS

CENTER-DEMOCRATS' NATO STAND--The CD [Center Democratic Party] of Denmark's attitude toward NATO and the Firklover government's restoration policy constituted the principal theme at the joint meeting of the Center Democrats' Folketing group and the party's provincial council on Sunday in Ebeltoft. The joint meeting expressed itself as absolutely content with cooperating within the Firklover government on the restoration policy and called on all non-socialist parties to continue not to take partisan political considerations into account. The joint meeting expressed concern over attempts that are being made to classify Denmark as a half-hearted NATO partner. [RB] [Text] [Copenhagen INFORMATION in Danish 13 Jun 83 p 10] 9266

CSO: 3613/136

MISSION OF TROOPS STATIONED IN FRG

The Hague LEGERKOERIER in Dutch May 83 pp 2-7

[Article: "Twenty Years Work for Peace and Security"]

[Text] From the very beginning the North Atlantic Treaty Organization (NATO) has pursued a common goal: the collective defense of Western Europe and the prevention of aggression from the East. It was decided within the framework of the forward strategy, to base units as close as possible to the border between Western and Eastern Europe. In the division of the area to be defended, a part of the North German lowlands was allocated to the Netherlands. The Berlin crisis accelerated the process which had been set into motion, to permanently station a Dutch unit. As for the specific location, there was no quick high level agreement; it was the then commander of the land forces, Lieutenant General F. van der Veen, who clinched the matter: Seedorf. An agreement was concluded with the German authorities, as a result of which Dutch units moved into the practically new barracks in Seedorf, a small locality in lower Lower Saxony, and German units into the Budel camp in North Brabant.

In 1963, the first units of the "light brigade," which had been temporarily based in the neighborhood of Bergen/Hohne, moved into their permanent housing in the Federal Republic. Today, in 1983, Seedorf has become a concept within the Royal land forces. Over the last 20 years, many tens of thousands of professional servicemen, reservists and conscripts have served there, perhaps with mixed emotions, for shorter or longer periods of time.

Once "Camp Seedorf" had become a fact and had acquired a permanent character, relatives and dependents also came over from the Netherlands. Housing was sought and found in the neighborhood, specifically in and around the small town of Zeven. A town of approximately 16,000 inhabitants which has in fact only benefited from it in the last 20 years. More units, more people, more equipment, reorganizations and changes were almost continuous during those 20 years. Sometimes big changes, sometimes small ones. Such as, in 1966, the elimination of the Army Service Corps detachment and the establishment of the Supply Company, and in 1983, the elimination of the 41st Reconnaissance Squadron and the establishment of a reconnaissance detachment of about 25 men.

Coordinating Command

What units inhabit Camp Seedorf in 1983? A complete armored brigade consisting of the staff and staff company of the 41st armored brigade, the 42nd armored infantry battalion, the 41st field artillery division, (still at present) the 41st reconnaissance squadron, and the 41st armored brigade train battalion. In terms of army corps units there is the 41st engineering corps battalion, and in terms of division units there is the 103rd reconnaissance battalion. But an independent military unit abroad (in addition to Seedorf, in the course of the years units were based in Hohne and at the Langemannshof barracks) requires a coordinating command: the Dutch Troops Seedorf/Hohne/Langemannshof Command. This includes a staff, a barracks administration, a welfare service group, a field postal service detachment, a traffic office, a detachment of the Royal mounted constabulary, a physical exercise and sports training group, and a regional social services office.

Watchdog Should Be Credible

The commander of the 41st armored brigade, and at the same time commander of the Dutch Troops Seedorf/Hohne/Langemannshof, is Brigadier General C. Brouwer. One may rest assured that Brigadier General Brouwer knows Camp Seedorf: from 1967 until 1969 he was commander of the 41st armored engineering corps company, which was first based at Seedorf but later moved to Hohne; during the years 1972/1973 he was battalion commander of the 41st engineering corps battalion; and since 1980 he has been in his current position. For General Brouwer, 20 years at Seedorf means "20 years of Dutch contribution to peace and security."

"We must not forget that our presence here in the North German lowlands is of great value within the framework of the credibility of the Netherlands in the context of the alliance. With our presence, we make it clear to our allies that in case of emergency, we will participate."

"With our allied strategy of war prevention you have to be able to take action in case of emergency. We are part of the security forces here, and our major task is to deter potential enemies from adventures. In addition, in case of aggression we must gain as much time as is necessary to bring the full army corps here."

"We must see ourselves as a kind of watchdog, which only frightens. But then it must be present in the front yard and not be asleep in the backyard. And the watchdog must be credible, a loud barker, who, when the pinch comes, can be aggressive and take the offensive. Only then will it frighten."

Seedorf Outgrowing its Facilities

Following a study concerning the reduction in response time, it was decided not to base a second brigade in the FRG, but other measures were implemented. General Brouwer commented: "Those measures include, among other things, that all units will be brought to full strength to the degree possible, without short leave units. That way we will get the brigade to full readiness. And the nice thing is that we are also being equipped with the best equipment the

Royal land forces have and that we are getting the best people at our disposal... But Camp Seedorf is outgrowing its facilities. Bringing the brigade to full strength and bringing in new equipment with the personnel consequences of this, have caused a sharp increase in the need for infrastructure. At the present time, there is a staggering lack of it. And not only because there is more personnel and because more storage room is needed for equipment. Because the standards have also changed in recent years. The Army Chief of Staff has set up standards for housing, work and living climate. This involves more square meters per person. On the average, it can be assumed that in principle an additional square meter must be added per person; that comes down to approximately 3,000 square meters to be added! We have drawn up a development plan which has been approved in principle. Hence, in the medium long term we are going to add on here. I would find it ideal if these barracks were not further added onto, but if separate battalion barracks were to be built in the neighborhood. This would allow a reduction of the lodging pressure in this limited space. This would also avoid the creation of too large a barracks, which would become too impersonal. And the very important social control would also disappear that way. As commander, it is my task to take care of all the marginal conditions which make the stay of Dutch troops in the FRG possible."

Better Motivation

General Brouwer subscribes to the argument that the conscripts in Seedorf are better motivated than those in the Netherlands. "I speak from the experience I acquired during the 4 years I was commander of the 101st engineering corps combat group. People are better motivated here because there is no service from 8 am to 5 pm here. The service does not end here at 5 pm, not on weekends either. People work more together here, there is more contact with the officers. People also meet each other after service hours in the various organizations and clubs. The conscripts here are confronted with the Eastern Bloc, with that awful frontier between East and West. They see that the Eastern Bloc is digging itself in. On the other hand, the men here have regular contacts with our German, American and British allies. And the Dutch soldiers do not want to be inferior, and that does promote motivation. In spite of the fact that here in Seedorf, due to the many days off, we have less time than in the Netherlands, we do achieve better results. Just look at the prizes for winning competitions, such as those of the armored infantry platoons and mortar fire. I am very much in favor of competitions; people work more professionally and it works to raise quality."

Pleasant Working Conditions

As commander of the Dutch Forces Seedorf/Hohne/Langemannshof, General Brouwer is not solely involved in operational cooperation with our allies on specific military matters. Because, in his capacity as commander of the Dutch Forces Seedorf/Hohne/Langemannshof, he also wears a kind of mayoral hat. "Our presence, specifically in Seedorf, requires the maintenance of the necessary relations. You could say, with the authorities we are dependent on here: the central government, the local government authority, the people of the rural district and not to forget the mayors of the surrounding municipalities. Such as the city of Zeven where there is a large Dutch community, and the municipality of Selsingen where the camp is located."

"And we are talking about the servicemen and their families, medical care, schools, police, field postal service, welfare service and the implementation of the NATO status treaty concerning tax free benefits. Not to forget those matters related to the civil registry; to this effect, there are excellent contacts with the Dutch consulate general in Hamburg." Brigadier General Brouwer believes that the regular circulation of personnel is very useful, in spite of the fact that everyone does not have to leave after a 3 year stay. "We have to be careful not to become a separate army, we must not become estranged from the remainder of the Royal land forces. And there is no lack of interest in serving here. There is a tendency now for people to like to come to the FRG, not only because of the facilities but because of the pleasant working conditions." "Twenty years at Seedorf also means: 20 years of maintaining relations with the people and the authorities. Relations which have fortunately outgrown their formality: they are very warm."

No More Leaks

It can be said that over the last 20 years, the Seedorf barracks have been used very intensively. Such use requires a great deal of maintenance. The buildings have flat roofs, and 25 years after having been built the roofing has become weathered and leaks have developed. This turned out not to be a question of fixing holes but of putting on complete new roofing.

A costly project, which took some time. "We have been building for 20 years, and we will probably continue to build for another 20 years," said Lieutenant Colonel J.H.A. Bollen of the Dutch Troops Seedorf/Hohne/Langemannshof Command, who is in charge of infrastructural supplies.

No Training Grounds of Their Own

The training possibilities have somewhat improved in the last few years, specifically with new firing ranges across from the camp. The main problem at Seedorf is that there are no training grounds available at the company squadron level. They always have to "borrow" from the Germans and the British. Aside from that, they have to practice outside the training grounds, which involves the risk that they will be an annoyance to the population. And this is precisely something they are very alert about in Seedorf.

Wide Range of Housing Possibilities

Among the vast forests and marshes in the Elbe-Wezer triangle, between Hamburg and Bremen, lies Zeven. A small town of about 16,000 inhabitants, the center of the surrounding countryside of Lower Saxony and at the same time the residence of about 600 Dutch families with approximately 1,500 men, women and children and a few hundred bachelors. Professional servicemen stationed in Seedorf have several housing possibilities. Unmarried and minor servicemen have no choice; they are housed in the barracks. The others can find a place in government housing or in the private sector. The government housing is set up in housing developments, "Siedlungen," where only Dutch servicemen live. The Siedlung is divided into housing blocks according to size of household and rank. The advantage of living in the Siedlung is that all your neighbors speak Dutch and the children can meet their classmates next door. Another

important advantage is government transportation of family members (for school visits and the like), being entitled to house calls by the Dutch family doctor, receiving army mail at home, including private mail and Dutch newspapers. In addition, the CADI [expansion unknown] store and Holland House for the youth are located within walking distance. The disadvantage of living in a Siedlung is a certain lack of privacy. However, those who object to that can find a place in the private sector.

Decent

Lt Col Doctor J.A. van den Eng has been the doctor in Seedorf and the surrounding area for ages. "In virtually all cases, people do well here. If not, then we provide sound help so that the individual is rapidly able to swim on his own again, instead of holding our hand. That is the decent thing to do and it is best for everyone. The problem lies in the fact that in a number of cases we don't have adequate professional help because we don't, of course, have all possible experts at our disposal. We cannot have psychiatric help or other specialized medical treatment available. Children's learning disabilities are also hard to handle here."

Schools

The schools for the children of personnel stationed at Seedorf are also located in Zeven. Mr H. Dilling is a teacher at the Dutch school. "I came to Zeven in September 1963. There were seven students and one teacher. By November of that year we already had 70 students. The school grew quickly; 5 years ago we reached our top enrollment with 410 students. Today, in 1983, we only have 270 students left."

"Although originally there was only an elementary school, with a seventh grade to absorb the overflow, in 1965 we started with a MULO [Junior High School] (replaced by MAVO [Middle School] in 1968). In the early seventies, we added a HAVO [High School] and a gymnasium, and later on an LBO [expansion unknown] and an LEAO [expansion unknown]. In the early years we didn't have our own school building."

"The German school had (and still has) classes until 1 pm; after that we took over the classrooms. There was also a time when many children of professional servicemen stayed in the Netherlands for reasons of schooling. In terms of course methodology and the like, education in Zeven is equal to that of the average school in the Netherlands. Students at the HAVO and the gymnasium can only receive instruction up to and including the third level. After that, they either have to go to the Netherlands or transfer to the German gymnasium in Zeven."

Conscripts Have Excellent Leave Arrangements

For a conscript, being stationed at Seedorf is clearly also different from being stationed in the Netherlands. The readiness rule also requires a certain presence during the free weekends. Thus, there are the roll calls on Saturday evenings, Sunday noons and Sunday evenings. But that is compensated by extremely favorable leave arrangements. For unmarried servicemen, this

means that every 8 weeks they have a right to $10\frac{1}{2}$ days of freedom of movement (including travel time), starting at 1200 hours on Fridays, the so-called long leave plus the short leave, a period of $4\frac{1}{2}$ days (including travel time) starting at 1200 hours on Thursdays. For both periods, it is required that they be back in the division on Monday before 2400 hours.

Active and Passive Recreation

For those soldiers who do not know what to do after service hours during the week or on weekends, or who do not know how to entertain themselves, there is no remedy. Because there is certainly no lack of opportunities for active or passive recreation in and around Camp Seedorf. The Welfare Service [WZZ] runs nine movies per week, and the Sunday matinee is free. There are regularly cabaret and other performances to attend. In addition, a number of hobby clubs are located in the recreation building of the WAZ [expansion unknown], the Seesoos, such as: a photo, woodworking, metalworking, model building, electronics and clay hobby club. In addition, one can join 23 organizations such as:

- NSV De Griffioen soccer club
- Tus Zeven flying and parachuting club
- De Griffioen car hobby club
- Prince Willem Alexander marksmanship organization
- tennis club
- badminton club
- Seester diving organization
- fishing organization
- orienteering club.

Then there is also a water sports center in the area where people can (learn to) sail and surf, and boats and surf boards can be rented. Most organizations receive a substantial subsidy every year in the form of the loan for use of articles such as surf boards. This subsidy comes out of the "profits" of the WZZ retail business. Lieutenant Colonel A.W. van Lokven, head of the WZZ, commented: "We have to run our store ourselves, we rent the store space and we pay the personnel ourselves. Except for myself, and 50 percent of the head of administration. Tax-free articles means free from German sales tax. Our most asked for products are perfumes, cosmetics and sporting goods. According to the regulations, the net profits must be used to benefit the living climate of the Dutch. This means, among other things, making expensive articles available to the organizations. We have just automated our administration and I must say that after a few initial problems, it is now running faultlessly."

Teaching More than Giving Instruction

One of the most important aspects of Welfare Service is study. A large number of servicemen have found the way to the WZZ and follow courses via the WZZ. "In 1982 there were 1,252 of them," said Mr W. van Gils, teacher with the Welfare Service. "The boys are not only registered as students, they really are studying seriously. Teaching is more than giving instruction. In Seedorf, the study results of each student are checked every 3 months. We have been using the new way of teaching since 1978. Since then, we have had a 320 percent increase in the number of students, and not more than 4 'give up' per month."

Catholic Military Center

In addition to studies, clubs, organizations, visits to local pubs or disco's, a large number of servicemen find the way to the very flourishing military centers. The Catholic Military Center [KMT] seems to be the most popular, with half a million visitors per year and a turnover of about 2 million marks.

Contacts and Assistance

During the 20 years that Dutch servicemen have been in Seedorf, FRG, a large number of contacts have been made and exercises carried out with German, British, American and French units. But so-called "sponsorships" were also arranged with German units or with institutions, such as with an institution for the handicapped in Rotenburg and with a home for handicapped children in Selsingen. Then there are sports competitions with military and civilian sports clubs. But the 20 year presence of Dutchmen in northern Germany is also coupled with assistance, such as the construction of a foot-bridge in Bremervörde, a skating rink in Seedorf, the repair of storm damage, the cleaning up of a burned down youth home, assistance when a dike gave way in Drochteren.

CADI Store Popular

At the time, the tradespeople in the small town of Zeven looked forward to the arrival of the Dutch servicemen and their families with mixed emotions. Especially when it turned out that the first families shopped primarily at the American PX and the British NAAFI [expansion unknown] shop. And then the CADI shop was established, which is very popular even today. The CADI shop provides typically Dutch products which are hard or virtually impossible to find in the FRG, and for articles which are rationed. The German tradespeople reacted by starting to sell the typically Dutch products in their stores also. Today, the CADI shop is doing very good to good business. As was shown by a recent survey, people are pleased with the range of products, even though there is a lack of typical Dutch dairy products and Dutch vegetables, which are never as good in the German stores as we are used to in the Netherlands.

But the 20 year presence of Dutchmen in and around the small town of Zeven has brought a lot of grist to the mills of local business and industry. In 20 years, it has turned from a small sleepy town into a flourishing, modern and nice looking city. The old cobblestones in the main street, over which the Dutch and German tracked vehicles thundered noisily, have disappeared and been replaced with asphalt. The speed with which motor vehicles used to go through the town is now regulated by traffic lights.

Another consequence of having had young fellows here for 20 years who often wanted to see something other than colleagues during their time off, is the Dutch-German marriages. On the average, in the small town of Zeven alone 15 marriages per year take place between Dutch servicemen and German girls. The Dutch boys are very much liked not only in the disco's and other dance establishments in a wide radius around Camp Seedorf. Because they are often just as smooth as their German contemporaries, said the wife of a sergeant major, who is of German descent herself.

At the town hall of Zeven they also speak well of the 20 year presence of Dutchmen in their municipality. "The changes due to transfers are probably why the Dutch community has not really become integrated," said city manager Kuhlmann. "We have actually continued to live next to each other during those 20 years, with the best relations as a matter of fact. Just when we had gotten used to someone, he disappeared again."

Week of Festivities

During the German-Dutch Week, from 3 through 12 June 1983, the 20th anniversary will be celebrated together with the German population. This event naturally has an official touch, because of the visit of numerous German and Dutch prominent personalities. But one of the high points will undoubtedly be the "open house" at Camp Seedorf for the German population. All the "neighbors" have been invited to take a look at what actually takes place within the "Seedorf barracks." The German-Dutch Week will be officially opened by the mayor of Zeven, Mr H. Jüres, together with Brigadier General C. Brouwer, and numerous cultural activities will take place. During that week, the Zeven evening 4-day meet will also be run by Dutchmen and Germans. The festivities, in which all the German citizens are involved, will be closed with the "Stadtfest Zeven," the program of which includes, among other things, a concert by the Dutch Swing College Band.

8463

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EXPULSION OF SOVIET MILITARY ATTACHE COULD HURT PEACE GROUPS

Oslo AFTENPOSTEN in Norwegian 24 Jun 83 p 4

[Commentary by Thorleif Andreassen and Knut Falchenberg: "Espionage Hinders Peace Work"]

[Text] Disclosure of the espionage activity in Norway of Russian Military Attache Vladimir F. Zagrebnev creates problems for the daily work of the peace movement. The situation is not improved by the fact that new disclosures may be forthcoming. "I will not characterize the disclosures as a slap in the face, but they do not make our work easier," admitted the leader of "No to Nuclear Weapons," Ole Kopreitan, to AFTENPOSTEN. The Russian spy has spoken warmly of disarmament and working for peace with Norwegian friends in the labor movement.

Personally Ole Kopreitan disagrees with spy activities. He said that "No to Nuclear Weapons" is continuously being contacted by personnel from foreign embassies, but they have never met Zagrebnev.

"Our movement has extremely strict procedures which are followed when we meet diplomats. We reject all invitations to meet with them in other places than our offices. Here we listen to their viewpoints. And we present ours in a serious way."

Kopreitan said that it is not only diplomats from East Bloc countries who contact the disarmament movement. Personnel from the United States Embassy also desire to establish a dialogue with "No to Nuclear Weapons."

"We are unpleasantly impressed by spy activity. It is a result of the arms buildup on both sides," he said.

One of the Norwegian friends of the Russian spy, Arild Karlengen, who is chairman of Samorg, told the newspaper FREMTIDEN that he never dreamed that the Russian was engaged in military espionage.

"On the contrary, we discussed disarmament and peace work. I got the impression that he was just as dedicated to that work as we in the labor movement at Ringerike," said Karlengen, and continued, "I never noticed that Zagrebnev had any interest in military installations during his frequent visits."

There is a wall of silence surrounding the Ministries of Defense, Justice and Foreign Affairs concerning this espionage affair. One feels that this silence, together with other indications, means that more expulsions can be anticipated.

Concerning Lieutenant Colonel Zagrebnev, his expulsion was due to his persistent efforts over a long period to recruit a Norwegian officer to serve the Soviets. As bait he tempted the Norwegian officer with, among other things, significant amounts of money. Amounts of several hundred thousand kroner have been mentioned. Reportedly the Norwegian officer appeared willing to swallow the bait--at the urging of the security police. Through the actions of the Norwegian as a double agent, he maneuvered the Russian into his own trap. Proofs that the colonel in the Soviet Military intelligence service was conducting espionage were many and positive.

The Foreign Ministry has not received any reaction from the Soviet Embassy about notification on Wednesday that Vladimir F. Zagrebnev is persona non grata in Norway. In the ministry they do not expect to receive any reaction.

Minister of Defense Sven Hauge told AFTENPOSTEN that he considers the military security regulations in effect to be adequate.

"Were you kept currently informed about this issue?"

"Yes, I heard about it. It is natural that the defense leadership is kept informed of the work of the security police in some cases," said Hauge, who did not want to comment on the actual conditions of the expulsion of the Soviet military attache.

A survey conducted by American authorities in May of this year shows that since 1970 there have been a total of 729 Soviet citizens expelled in connection with espionage cases around the world. All parts of the world are involved, and in recent years there has been a marked increase in the number of expelled persons.

9287

CSO: 3639/133

ANTI-ETA POLICE ACTION IN VIZCAYA

Madrid YA in Spanish 26 May 83 p 12

[Article by Luis Maria Landaluze]

[Text] Bilbao--General Police Brigade officers from the information section of the Bilbao headquarters have broken up the Jose Marti official armed commando group and the Trintxerpe information commando group, some of whose members are being charged with a total of 13 attacks, which resulted in nine murders.

Yesterday the civil governor of Vizcaya, Julian San Cristobal, reported in a press conference that over the past 13 days police officers have initiated and carried out an extensive operation which has led to the arrest of Juan Carlos Echeandia Zorroza, age 20, student, unmarried, a resident of Gorliz. He has used various aliases, and was a member of the two commando groups which have now been broken up. Echeandia, who began his activities some years ago as a member of the Vizcaya commando group of freed prisoners, along with Manuel Morua, Angel Maria Lete and Jose Ramon Lete, is being charged with the attack which was carried out on 22 March last year on the Rancho Chileno bar in Sestao, which resulted in the deaths of two inspectors of the General Police Brigade and one Argentine citizen. Another two policemen were seriously wounded. He is also being charged with an attack against the National Police barracks in Baracaldo, in which a member of the police was wounded on 19 May last year; an attack in the Bilbao section of San Ignacio against Daniel Henriquez Garcia, a retired army colonel, who died on 3 June last year; an attack against navy petty officer Emilio Fernandez Arias, who was killed on 22 September last year; an attack against army musician Lt Cesar Uceda Vera, who died on 21 October last year; an attack with explosives on the Banco de Vizcaya on 5 February this year, in which three employees of the bank were killed and others wounded; and the placing of explosive devices on an electric tower in Oquendo, in an Iberduero establishment in Lejona, in the branch of the Banco Hispano Americano in the old section of this capital, in the branch of the Banco de Vizcaya, also in the old section, in the Avidesa ice cream store in this capital; two devices in Miravalles, in the Hispano Americano and Vizcaya Banks, and another device in the Banco Hispano Americano in the Bilbao section of Begona.

Also under arrest as members of the Trintxerpe commando group are Josu Leamiquiz Landabaso, age 22, a resident of this capital, and Ignacio Marti

Mardones, age 20, a resident of Baracaldo; a member of the Jose Marti commando group, Maria de los Reyes Castillo Martinez, age 22, student, a resident of this capital, and the owners of an apartment in which the freed member of the Juan Toledo ETA [Basque Fatherland and Liberty Group] Javier Ignacio Larrea Bolivar, age 35, was hiding, and Maria Felisa Arocena Azcue, age 30.

Also identified, although they managed to escape the police, were Juan Toledo Garcia, age 23, a native of Utrera (Sevilla) in which capital he lived at 8 Calle Coral, and Jose Amantes Arnaiz, age 22, a native of and resident of Bilbao.

Juan Toledo, Jesus Amantes and Echeandia Zorroza were responsible for placing the briefcase containing a device which exploded in the Banco de Vizcaya, leaving three employees dead. Juan Toledo was in charge of preparing the briefcase, and he brought it into the bank, accompanied by Jesus Amantes. Echeandia Zorroza stayed outside, acting as a lookout. Once the briefcase was placed in position, Juan Toledo left the bank, but Jesus Amantes did not see him at that time, so he again entered the banking institution, and went up to the teller's window where he changed a 1,000 peseta bill. When he entered for the second time, Jesus Amantes did see him, and fled with him. The three members of the commando group made a telephone call to the bank from a booth located in the Plaza de Espana, that is, some 20 meters from the main door of the bank's entrance, announcing that there shortly would be an explosion.

With these arrests, the police have managed to learn that some of the arrested prisoners had taken part in the collection of information for various attacks or the carrying out of extortion in a total of 19 different occasions..

These items were also confiscated from them: a Mat machine gun with the serial number erased, a long-barrel rifle with 22 bullets FN brand from 67 to 9 mm (Parabellum), 50 blades 10 cm in length, a Browning 9 mm Parabellum pistol with the manufacturer's number erased, another pistol of the same brand, 9 mm, No 681,277, chambers for the same, a large amount of ammunition, 9mm Parabellum S.F. and Geco, 9 type ammunition F.C. automatic 380 type, a pistol holster, three instruction grenades made by the ETA, a mask-wig, a training manual for the manufacture and handling of explosives, electrical material, five photographs of the Television Espanola relay station on Monte Archanda in Bilbao, and a white Seat 124 belonging to the organization, inside which a hiding place had been made for carrying munitions. Some were found inside it.

Also arrested during the police operation were Pedro Fernandez Trincado, age 37, married, truck driver, resident of Deusto, and Tomas Sertucha, age 39, married, clerk, residing in Cocherito de Bilbao St in this capital. Both are charged with being members of the Vizcaya infrastructure for freed prisoners, an activity which was begun after 1977, when Pedro Fernandez Trincado left prison, protected by the amnesty.

Fernandez Trincado owns a truck, inside which he had made a hiding place to carry freed prisoners across the frontier between France and Spain. On several occasions he and Tomas Sertucha transported Juan Carlos Garcia Ramirez, Carlos Lucio Fernandez (who died in a confrontation with the Civil Guard on 13 July 1980 in Orio), Celestino Galan Caballero, Imanol Chavarria Lopategui, Jose Joaquin Oleaga Ojeda, and Victor Tejedor Bilbao.

It has also been learned from the arrest of Fernandez Trincado that he had another apartment right inside his own property which could be used by ETA freed prisoners. Here the incident took place where Jesus Asensio Matute received a gunshot wound when he did not open his home to the police and in an instinctive action threw himself at one of the officers, without knowing who he was. This resulted in his receiving a gunshot wound, a graze, which was not very serious, according to the civil governor. He will shortly be discharged from the hospital. Jesus Asensio is at liberty without being charged.

All those who were arrested, with the duly prepared documentation, weapons, and other evidence seized in the house searches, have been put at the disposal of the judge of the central court of the National Audiencia.

8131

CSO: 3548/425

PROMISING LARGE OIL FIND REPORTED IN GULLFAKS FIELD

Oslo AFTENPOSTEN in Norwegian 22 Jun 83 p 30

[Article by Bjorn H. Tretvoll: "New Large Oil Discovery in Gullfaks Field Block"]

[Text] Statoil has made a new oil discovery in block 34/10 where the company previously established the Gullfaks Field. The new discovery means a significant adjustment upward of the total reserves in this block, which thereby appears to be living up to its previous designation as "The Gold Block." Furthermore, Statoil found significant amounts of gas this spring in a separate structure in the same block.

Statoil's press spokesman Hakon Lavik confirmed to AFTENPOSTEN that well 34/10-17 has produced an oil discovery. The drilling platform "Deep Sea Bergen" is now conducting production tests from that discovery.

"The results so far are inspiring. The total reserves in the three structures in that block which have so far given results, are significant. We hope that further charting work will show us total oil reserves which will approach the figures for the Statfjord Field," said Lavik.

Statfjord, which lies just west of the Gullfaks Field, is so far the largest oil field in the North Sea, with total reserves of over 3 billion barrels of oil.

Well 34/10-17 is in a structure in the southwest corner of the block. The structure, designated Beta, is believed to extend into the westerly neighbor block 33/12, which is one of the Statfjord blocks. Further drilling will be necessary before it can be established how large this discovery is by itself, but it can prove to contain total oil reserves of over a billion barrels, according to what AFTENPOSTEN has learned.

The total reserves in the Gullfaks Field are estimated at about 1.5 billion barrels of oil. Tentatively the decision has been made to proceed with the first phase of the development of Gullfaks, which will include two platforms.

It is also clear that the eastern part of that field, which is ready for the second development phase, is economically exploitable. The question of when phase two should begin must be decided by the Storting.

Previously this year there was drilling on a structure designated Alfa, resulting in an adjustment upward of the previous estimate of gas reserves in that structure. It is now assumed that Alfa alone contains more gas than Heimdal Field, meaning about 40-50 billion cubic meters. Furthermore there is also some condensate in Alfa.

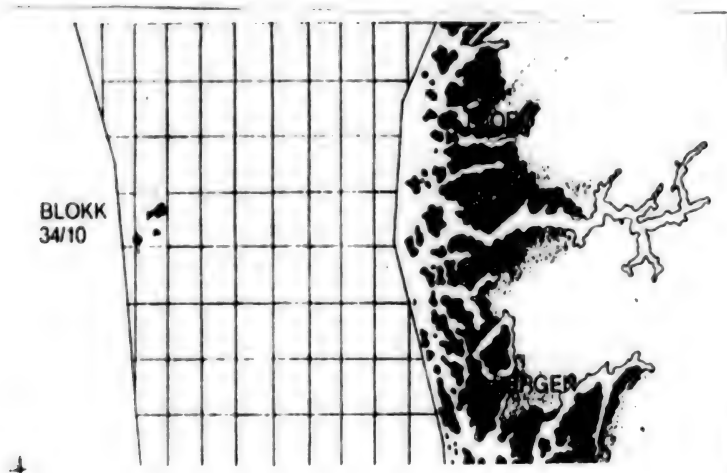
The oil in the Beta structure is of good quality. The discovery also contains some gas, but for the present the relationship between the oil and gas is unclear. As of now two of the four planned production tests from well 34/10-17 are completed.

It is also unclear how large a part of this structure lies in block 33/12. It appears that it will be necessary to drill in this block, where Mobile is the operator, before it will be known with certainty what the total reserves are, and how they are divided.

Statoil has been very reticent with information about this latest drilling. That is because in the beginning they assumed that Beta went into block 33/12, and therefore the participants in that block were requested to share the costs of the well. That was rejected, and therefore Statoil has kept the information about well 34/10-17 to itself.

This "Gold Block" was divided Statoil (85 percent), Norsk Hydro (9 percent) and Saga Petroleum (6 percent) in 1978. According to Norwegian concession terms that means that half of the block will be returned next year. It will, however, be difficult for the companies to establish which portions will be returned on time. Several new drillings will be necessary to clarify how that will be done.

The drilling platform "Ross Isle" which is now completing the previously abandoned well 34/10-7, will later start on 34/10-18. This well will be drilled in a separate structure which has not previously been drilled.



Caption: The new oil discovery is in the Beta structure in the southwest-
erly corner of the block. Previously the estimates of gas reserves in Alfa,
which is in the middle of the block, were significantly adjusted upward.
The Gullfaks Field is in the northeasterly part of the block.

9287

CSO: 3639/132

OFFICIALS LOOK TO INCREASED OIL, CHEMICAL IMPORTS FROM USSR

Minister Sees Added Oil Imports

Helsinki HELSINGIN SANOMAT in Finnish 25 May 83 p 29

[Article by Pentti Suominen]

[Text] Finland can buy this year at least half a million tons of crude oil more than the amount agreed on earlier and hopes exist that the increase in oil purchases can be up to nearly two million tons.

The increased import of half a million tons was agreed on in the meeting of the Finno-Soviet Economic Commission which was concluded in Moscow on Tuesday. This meeting concentrated on improving the imbalance of trade between the two countries.

The temporary chairman of the Finnish party, Foreign Trade Minister Jermu Laine, said that the half a million tons agreed upon now mean that the amounts mentioned in this year's trade exchange record will be filled up to the top.

"It seems that we would get about half a million tons more crude oil, maybe some heavy fuel oil and maybe trading of oil could also continue this year," said Laine.

He claimed that the figures given by some Finnish industries, according to which we would probably get as much as 3 million tons of increased oil, are too high. The purpose of importing increased amounts of oil is primarily to compensate for the deficit which was caused by the fall in the world market prices at the beginning of this year, he said.

"If all goes well, Finland can import perhaps an extra two million tons of oil from the Soviet Union this year, some for its own use and some for exporting further to the third countries," Laine said.

The Soviet Union's trade deficit is about five billion marks at the moment and Finnish imports of almost an extra two million tons of oil would reduce it by two billion marks.

Laine led the Finnish party in the negotiations after President Mauno Koivisto fired Ahti Karjalainen, the former chairman of the Finnish party at the end of last week.

The Soviet party was still led by Foreign Trade Minister Nikolai Patolitshev who intends to continue his assignment in the future.

Laine told that the Soviets had stated that the change in the Finnish chairmanship is Finland's own business and that the Finns' future chairmanship arrangements also solely belong to the Finns.

In the negotiations the Finnish party expressed that it would also be willing to reduce the imbalance of trade also in some other areas of certain chemicals and raw materials of color metallurgy.

Laine said that some additional chemicals can be dispatched from here immediately, but "as for most of the other products they need more time for further consideration."

Also under consideration was the transfer of the advance payments that the Soviet Union pays primarily to Finnish shipbuilders from the beginning of the five year plan to a later date so that they would be distributed more evenly over the entire period.

Laine said that this question "was approached but the issue is so complicated that it will require further consideration."

Realistic Possibilities

He said that the Soviet party has expressed its interest in further developing the industrial cooperation between the two countries and that "realistic possibilities are about to open up in this field."

Especially, the Soviet party has expressed its interest in construction projects that the Finns would build and the products of which could be then bought back by the Finns.

Laine said that these kinds of projects would be part of a more long-term cooperation which would not only increase exports but also balance of trade and consequently also imports to Finland in the course of time.

The Tallinna harbor construction, in which Finnish firms are interested, was not under actual consideration in the negotiations, even though the Finnish party stated that it is technically competent to do it.

Laine said that more progress would probably be made on this issue if the balance of trade can be kept at reasonable levels.

Natural Gas Considered by the Committee

He said that a committee, led by Vice Foreign Trade Minister Nikolai Osipov, will meet in Helsinki in June. It will be able to give further information about the increased imports of raw materials for color metallurgy.

This committee will also consider problems concerning natural gas which are, according to Laine, caused by the relative prices of competing energy forms, such as coal, heavy fuel oil and natural gas.

Construction Projects Inside USSR Foreseen

Helsinki HELSINGIN SANOMAT in Finnish 29 May 83 p 38

[Text] In the meeting of the chairmen of the Economic Commission in Moscow, forms of cooperation came up which, if carried out, would also mean long-term imports to Finland, said Commerce and Industry Minister Jermu Laine, vice chairman of the Finnish side of the commission while speaking on Saturday at a meeting of the Finno-Soviet Society in Naantali.

As examples of these kinds of new ideas Laine mentioned Outokumpu's ideas for cooperation in the field of color metallurgy and Wartsila's idea for a special manufacturing plant to produce energy saving diesel engines "somewhere close to the border inside The Soviet Union." In that plant Wartsila technology would be used and the engines could be brought back to Finland to be used in ship deliveries to the Soviet Union and "also elsewhere."

Laine also mentioned possible cooperation by Valmet's paper machine industry, utilization of Nokia's technology and plans for developing Neste's petrochemical industry which are based on the fact that Neste would refine Soviet raw material and then market them further to the Soviet Union and even "elsewhere." Soviets are also interested in Kemira's manufacturing technology, said Laine.

Also forest industry can, according to Laine, considerably increase its imports from the Soviet Union. For example, of all the chemicals that the forest industry needs, it imports only one percent for the Soviet Union, said Laine. According to Laine, the value of these imports could be increased by up to 200 million rubles.

Extra Oil Does Not Help Much

According to Laine, we could also go up to the same kind of sums in metal imports. The only problem is, according to Laine, that this kind of considerable increase in deliveries to Finland has no place in the planned economy of the Soviet Union, at least not immediately.

According to Laine, the increased delivery of two million tons of oil to Neste does not help the trade surplus much, because this sum only amounts to leveling off the reduction in the value of imports caused this year by the fall in the price of oil.

So Laine emphasized that the continuation of a special interest bearing account in the Bank of Finland will have to be secure "with some kind of a sum in the future as well." The account has 300 million rubles at the moment.

"If our only alternative were to adapt our exports to the Soviet Union now and in the next few years to the level that would correspond to the value of our

imports and at the same time to have to balance what we are owed at some point, we would have a case of a very severe threat to our exports. On a yearly level this would mean reduction of roughly 10 to 15 percent," said Laine.

To make up for this reduction would mean increasing our western exports by about 5 percent. "We cannot perceive any possibilities for increased export of that size," emphasized Laine.

Companies Plan More Chemical Purchases

Helsinki HELSINGIN SANOMAT in Finnish 3 Jun 83 p 26

[Text] Efforts are being made to balance the trade between Finland and the Soviet Union by increasing the imports of raw materials that the chemical industry needs.

Under consideration has also been a possibility to trade these raw materials through Finland to the third markets after further refinement.

Next time the matter will be under consideration by the Economic Commission's committee of chemical industry in the last week of June. In addition to this, Neste will negotiate the issue directly at the entrepreneurial level.

Neste estimates that it could itself use about 100,000 to 200,000 tons of raw materials a year in its own manufacturing plants.

Raw materials that are under consideration for import to Finland are produced by the chemical industry and as side products of oil and gas production.

According to Neste's calculations the value of the products could go up to 200 to 400 million marks.

"Primarily, the negotiations are conducted on importing those products that are intended for our own use. In this connection trading activity is to be seen as a kind of safety valve if the Soviet exports of these products would exceed Neste's need," says vice managing director Kai Hietarinta.

A condition for Neste's additional purchases is an agreement period that is long enough as the company has to invest in storing and transportation systems for the products.

Kemira Would Trade Urea and Potassium Salts

A trading offer by Kemira concerns trading of urea and potassium salts. General manager Yrjo Pessi estimates that it would reach up to 100,000 to 200,000 tons. Trading of this amount would imply about 100 to 200 million marks a year.

This possible trading activity would be carried out in close cooperation with the Soviet party, Pessi emphasizes.

This year the imports of the chemical industry from the Soviet Union will double. Its total value without oil is over 800 million marks.

All in all, chemical industry would have the ability for increased imports of about 1 billion marks but the Soviet Union does not have all these products available, at least not at short notice.

9677

CSO: 3617/138

CENTRAL BANK MOVE WILL MEAN END TO FUTURES TRADING IN RUBLES

Helsinki HELSINGIN SANOMAT in Finnish 24 Jun 83 p 20

[Article: "Banks Refuse Risks in Ruble Trade"]

[Text] Futures trading in rubles has come to an end in Finland. After the Bank of Finland suspended futures trading in rubles on 27 May, other banks have not consented to accepting the risks of futures trading to their own accounts.

The commercial banks, SYP, KOP, HOP, OKO, AND SKOP as well as the Postal Savings Bank decided to terminate futures transactions in rubles a week after the decision taken by the Bank of Finland. The decision has held for the time being.

When the Bank of Finland decided to suspend futures trading in rubles, these transactions amounted to 6--7 billion markkaa. Director Kari Nars of the Bank of Finland justified the suspension of these transactions by the fact that not even the Bank of Finland can accept such a great risk.

Futures trading in rubles means that a Finnish firm conducting trade with the East reaches an agreement with the Soviets on the value of the ruble to be applied to their transactions. This rate of exchange is always an estimate since the delivery period of a contract may last several years. If the value of the ruble increases in the interim, the firm makes a profit, and on the contrary if the ruble decreases in value in relationship to the Finnish markka, then the firm incurs a loss. However, the firms have given the futures trade and its accompanying risks to the banks, which have continued to operate under the protection of Bank of Finland quotations, or the Bank of Finland has been the primary carrier of the risk.

Ruble Has Been Revalued

Futures trading in rubles was quite favorable for the Bank of Finland, particularly in the 1980's since the value of the ruble against the markka has risen in the same relationship as the dollar. In January 1980 the dollar was worth 3.68 markkaa and yesterday it was worth 5.52 markkaa.

The value of the ruble has increased this much since in Moscow the value of the ruble is determined by means of a currency basket, in which the weight of the dollar is the greatest.

The currency chiefs in the Finnish banks decided to suspend future trading in rubles since the currency risks are too great. The banks are afraid that the ruble will begin to decrease in value in the near future or it will be decided to change the structure of the currency basket in Moscow. For example, a 10-percent devaluation of the ruble would mean 700 million markkaa in additional expenditures for banks conducting futures transactions.

Firms Must Now Carry Risk

Initially, the currency chiefs agreed to make their decision public, but it was decided at higher levels of bank management that no information on this decision would be made public.

The consequence of this decision is that the risks of transactions that are based on the ruble will now be borne by the firms themselves. This will make pricing in the firms more difficult and will increase the risk factor in trade with the East.

The decision of the banks to refrain from futures trading was also a protest against the Bank of Finland. In the opinion of the banks, the Bank of Finland's argument that "central banks elsewhere in the world would not do this either" is not valid since futures trading in rubles is not generally conducted anywhere else in the world. Futures trading in rubles or estimating the development of currencies over a longer period of time presupposes greater knowledge in Sovietology than foreign currency expertise. Since there is no futures trading in rubles anywhere else in the world and exchange rates are determined in Moscow according to a principle of expediency, predicting future exchange rates is impossible in the opinion of the banks.

The banks are now watching each other in the fear that one of them might abandon the ranks. If one of the banks resumes futures trading in rubles, then the others must follow in line.

Futures trading in rubles was begun in 1974. It increased forcefully in the 1980's. At the end of 1981 it amounted to approximately 1 billion markkaa and at the end of last year it was 7.5 billion markkaa.

10576

CSO: 3617/146

CONSTRUCTION BEGINNING ON PLANT FOR MAKING SOVIET RAIL CARS

Helsinki HELSINGIN SANOMAT in Finnish 24 Jun 83 p 21

[Article: "Rautaruukki to Begin Construction of Rail Car Plant in August"]

[Text] Oulu--Construction work on Rautaruukki's Otammaki Railroad Car Plant will begin in August. Construction on the machine shop for the manufacture of railroad car parts in Taivalkoski will begin in the fall. Rautaruukki's board of directors decided on a construction schedule on Thursday.

Investment expenditures for the railroad car plant, which will primarily produce cars for specialized cargo, will be more than 400 million markkaa at this year's price level. The state will support the construction with an interest subsidy amounting to 70 million markkaa.

Rautaruukki has estimated that production at the railroad car plant will be approximately 3,000 cars annually. All the cars will be sold to the Soviet Union. The joint production agreement concluded with the Soviet Union will remain in effect until 1995. The sales of cars to other countries will also be possible in principle.

According to the plan, actual construction work in Otammaki and Taivalkoski will be completed by the end of next year. The installation of machinery and equipment will commence in the beginning of 1985 and it is expected that series production will begin in the following year.

Initially, railroad cars for transporting wood products and bitumen will be manufactured, but later other types of railroad cars will also be manufactured.

The Otammaki Railroad Car Plant will employ approximately 600--650 people and the machine shop in Taivalkoski will employ 100--150 people. In addition, the repair and maintenance facilities at the mine in Mustavaara will be used for the manufacture of components and will employ approximately 50 people.

The railroad car plant will guarantee jobs for Rautaruukki's Mustavaara and Otammaki personnel who would otherwise become unemployed because of the depletion of the mines at those locations.

10576

CSO: 3617/146

CENTRAL BANK ISSUES OPTIMISTIC FORECAST FOR 1984

Oslo AFTENPOSTEN in Norwegian 23 Jun 83 p 27

[Article by Bjorn H. Tretvoll: "Bank of Norway Business Review Says Stronger Improvement in 1984"]

[Text] Toward the end of the year Norway also can expect moderate improvement in business conditions. This improvement will increase throughout 1984. The Bank of Norway asserted this in its business report for the second quarter, which will be made public in the coming issue of the bank's newspaper PENGER OG KREDITT. About the international situation, the Bank of Norway says that the economic prospects for the western industrial countries now appear to be better than in many years.

The international improvement in business conditions has already led to an increase in Norway's traditional export of goods and to greater production in the export-competing industries. But beyond that there is still no clear sign that the Norwegian economy has risen from the low point in business conditions that was probably reached during the first quarter, said the Bank of Norway.

The Bank of Norway's leading business indicators fell both in March and April after having shown increases in the period December-February. The most important growth stimulant for Norwegian economy for the future will be the demand from abroad. The current business development thereby appears to have many traits in common with previous improvement periods, when increased activity in the export sectors gradually resulted in higher consumption and industrial production, and over a somewhat longer term also increased industrial investment.

Price increases in this country from 1982 to 1983 are expected to be between 8.5 and 9.0 percent. The moderate increase in income this year will help the rate of price increase to fall further in 1984 to 6.5-7.5 percent, according to the Bank of Norway.

Norwegian foreign trade has so far this year developed very favorably. The operating trade balance will be at least 7 billion kroner better than what the authorities calculated in the revised national budget. The Bank of Norway believes that the surplus this year will be at least as large as last year, meaning at least 5 billion kroner. In the revised national budget there was calculated to be a deficit of 1.9 billion kroner. For 1984 it looks like there will be less of a deficit in foreign trade.

The latest prognoses for member countries in the OECD show that the rate of business increase will climb from 1.75 in the first half of this year to 3.5 in the second half. There is a special development in the United States where it is now expected that growth in the second half will rise at an annual rate of 5.5-6.5 percent, which contributes to this adjustment upward. Growth in the OECD countries in 1984 is expected to be 3.25 percent.

The Bank of Norway emphasizes, however, that there are several uncertain factors tied to these prognoses. The real interest level continues to be high, and, together with other factors, lead to the increase in investments being delayed. Financing problems place a heavy damper on demand in the developing countries, while reduced oil income can weaken the import demand from the OPEC countries.

The formulation of economic policy for 1984 contains significant uncertainty for developments in this country.

9287

CSO: 3639/133

FIRMING OIL AND GAS PRICES AIDING BALANCE IN FOREIGN TRADE

Oslo AFTENPOSTEN in Norwegian 22 Jun 83 p 31

[Text] The surplus in Norwegian foreign trade was 3.5 billion kroner in the first quarter of this year. That is 700 million kroner more than in the same period last year, according to temporary figures from the Central Statistical Bureau.

The surplus in the balance of goods and services rose from 6.5 billion to 8.1 billion kroner, while the deficit in the balance of interest and aid increased from 3.8 billion to 4.6 billion kroner.

In the revised national budget the government expected a deficit in the operating balance for the entire year 1983 at 1.9 billion kroner, while in 1982 there was a surplus of 5.1 billion kroner. Growth in the first quarter plus the figures for foreign trade in April and May, however, point in the direction of a larger surplus in 1983 than last year.

Among the factors which have contributed to the improvement in foreign trade figures are an increase in the export value of oil and gas by 15.2 percent, and a growth in the value of export of traditional goods by 8.8 percent, and a stagnation in the value of imported traditional goods.

The surplus in the operating budget in the first quarter, plus a net input of short term capital of 149 million kroner, was matched by a net output of long term capital of 3.7 billion kroner. Total reserves have declined by 4.5 billion from the end of 1982, and comprised 35.4 billion kroner at the end of March 1983.

9287

CSO: 3639/132

WHITE PAPER DETAILS FOCUS OF REINDUSTRIALIZATION PLAN

Madrid YA in Spanish 24 May 83 p 30

[Article by Carmen Parra]

[Text] The new reindustrialization policy which the administration is trying to set in motion will stress, more than reconversion of depressed sectors, promotion of industries with a future, points fully developed in the "White Paper" which the Ministry of Industries is now finalizing. In it we are told that there will be priority development of the industries of defense, food (processing of native raw materials), some areas of electronics and data processing, conservation of energy and development of new sources of energy, recovery of waste and liquid and gaseous outflows. However, it states that other industries such as textiles and footwear will also be built up since, with sufficient investment, they have a bright outlook, the same as some lines of special steel production.

Thus the lines drawn in the document include some tough conditions for resorting to new reconversion plans, by limiting access to sectors of strategic interest and economic importance on the national level which have suffered sharp market reductions and show operating and labor costs which make the sector impracticable at the international level, as well as sectors which show a clearly inadequate management structure in terms of number, size and product lines in comparison with those available in similar sectors of the EEC area, and sectors in which broad technological change is required for their survival.

In terms of implementation, it probably calls for far-reaching sacrifices for the supervisors, both at management and union levels, and which will likely include: Businesses receiving public subsidies will have to agree to following the guidelines set down by the board of directors of the plan, which may call for changes in management and in administration councils; workers will have to make immediate employment adjustments, apply a strict pay policy during the reconversion and adopt active policies for the creation of employment (re-employment) as opposed to passive ones which eliminate it (early retirements).

The corresponding sectorial employers' association, union headquarters through their federations, both, and in exceptional cases the government itself at the proposal of the Ministry of Industry will probably be able to make the "sector in reconversion" declaration request.

The implementation phase will have three driving forces. Administration of the plan will be developed by the management staff consisting exclusively of administration representatives. Actual management will be developed by the reconversion corporations, with representatives from businesses. Lastly, there will be a follow-up and monitoring commission which will have the participation of trade unions.

The biggest changes in this document touch upon new funds for employment promotion, the modifications which it introduces affecting early retirement and the creation of alternative employment, along with promotion of new production activities. Likewise, it proposes establishment of give-and-take for new hiring, and reform in the finance system of social security.

As for the philosophy which the future policy of industrial reconversion must inspire, it will be characterized by strictness and solidarity. Such a requirement for solidarity includes the contribution of the private financial system. To facilitate the channeling of private financing, it will propose setting up a finance company for industrial reconversion, which will become the the planning and supervision committee.

Relative to socio-labor measures, they have a dual objective. First, it is proposed that the mechanisms of social coverage set up previously be improved and made more efficient, especially the system of early retirements. Secondly, and through the creation of the employment promotion funds, a linkup mechanism be orchestrated between the policy of domestic rebuilding of sections with built-in employment surpluses and the policy of industrial promotion targeted toward increasing the capabilities of new activities and creation of alternative employment.

Finance Company for Reconversion

The Finance Company for Industrial Reconversion, in addition to being responsible for financial planning and supervision, will have to perform consultation work, take charge of follow-up and supervision of plans, be the managing institution of financing funds and receiver of the aid package and pipeline of private savings.

The "White Paper" makes a double criticism of the benefits which the reconversion decree is contemplating for early retirements. On the one hand, it believes that it leaves unprotected those workers older than 55 and with no reasonable possibility for reemployment, and on the other it sees discrimination relative to those workers from the sectors suffering unemployment.

Early Retirement at Age 55

The change in direction consists in broadening the personal range of application of workers older than 55; guaranteeing a predetermined percentage (certainly appreciably lower than 100 percent) of the legal base of retirement pension; adjusting the period of receipt of retirement benefits from 55 to 70 as a period of unemployment, for the purpose of enforcing reemployment, and considering the period of early retirement as valid for the purpose of providing pensions at age 70 with full benefits.

On the other hand, the law will open new channels for institutionalizing Funds for the Promotion of Employment, which will consist of implementing a series of protective measures for workers affected by the reconversion. Beneficiaries will be all those from the sector who have finished off their contracts as a result of this. The only requirement is to join it and contribute all one's severance pay, guaranteeing oneself an average salary of 75-80 percent.

Lastly, the import role of public enterprise in the new reindustrialization policy stands out, among other things, for reemployment of surplus labor.

9436

CSO: 3548/422

PAPER SAYS CONSERVATIVE PARTY CONGRESS REFLECTS OPTIMISM

Helsinki UUSI SUOMI in Finnish 6 Jun 83 p 2

[Editorial: "An Inoculated Conservative Party"]

[Text] After the conclusion of the party congress in Lahti, the Conservative Party will be faced with challenging and also difficult times. The government has stated its intent to remain in office for 4 years. Compared to the Conservatives, the Social Democrats have the upper hand in nearly all areas of government administration. The bourgeois ruling parties have chosen their side: they are not particularly interested in cooperation with the Conservatives. Thus the Conservative Party will have to form a new opposition policy in Lahti almost on its own.

The chairmanship campaign resulting in the victory of Ilkka Suominen did not affect the party line even from the perspective of hindsight even though a number of Conservatives hoping for a more definite change of direction had grouped themselves around Pertti Salolainen. It was primarily a question of a contest between individuals. Salolainen was a good challenger, but nothing more. Also having an effect on this situation was the fact that Salolainen announced that he does not intend to become an opposition leader in the party although there otherwise are no actual pressures for division in the party.

Suominen will most likely encounter new challengers in the future, but he will be at the helm of the Conservative Party for at least the next 2 years. Moreover, the Conservative Party has now travelled to the end of one road. There will no longer be the same kind of disappointments for the party with respect to government solutions as was the case after the last parliamentary elections. In this respect the Conservative Party has had its cry and has become immune to false hopes better than any present ruling party.

The party congress in Lahti did not give any clear references to the kind of opposition policy the Conservative Party intends to implement. The possibilities are not as limited as people thought they would be in the post-election situation. Contrary to many other phenomena, it is characteristic of politics that the situation is constantly changing. Thus RKP [Swedish People's Party] Chairman Par Stenback pointed out the problems of government cooperation and talked about the necessity of bourgeois cooperation at his own party congress.

Suominen's keynote speech at the party congress provided references to the fact that the Conservative Party will never again return to the basic right-wing lines considered to be conservative, but will seek support from a broader group of white-collar workers, entrepreneurs, youth, and even supporters of alternative movements. Since foreign policy is in order, the Conservative Party can concentrate on carrying out a kind of guerrilla activity designed to weaken the supremacy of the Social Democrats, who have declared themselves to be the chief competitors of the Conservatives.

Having survived the personality conflict Suominen can thus devote his time to developing a new strategy. Two of its levels are easily identified: the level of the party office or the actual machinery and actions in parliament.

The third level is more ambiguous, but no less important. The Conservative Party should implement a bourgeois policy which will appeal to and attract forces opposing the creation of a Swedish-type of guardianship social democracy and an intellectual capacity that can be found in terrain lying between the parties. This presupposes an open discussion, of which the party congress in Lahti was a single but somewhat pallid example.

10576

CSO: 3617/143

COLUMNIST VIEWS DECLINING FORTUNES OF COMMUNISTS

Helsinki UUSI SUOMI in Finnish 7 Jun 83 p 2

[Commentary by Jukka Knuuti: "Opposition Has Unified Finnish Communists"]

[Text] Over the weekend there were two significant political news events, the party congresses of the Conservative Party and the RKP [Swedish People's Party]. A third event was awaited, a meeting of the SKP [Finnish Communist Party] Central Committee. It was to be a continuation of the meeting at the end of April, at which it was vowed that the process of division into two factions in the party would not be allowed to continue.

But the kind of news that was expected from the SKP did not materialize. The Central Committee received only a report from the party's work group, which has attempted to find solutions to the party's division, or the dismantling of parallel activities and the press question, as the conflict is officially called. They talked about nuclear power instead of unity at the House of Culture.

Feelings which were heated up because of the loss of eight seats in parliament have cooled down enough in the party so that they will be able to conduct a reasonable dispute within the framework of unity the next time at the 20th Congress to be held next spring.

Indeed, the SKP does not seem to be in too ragged of a condition at this time. It is easier to be unified in opposition than in a position of being one of the ruling parties. It even appears that others are able to help the SKP on the path of unity better than the party itself. The only thing that was needed to accomplish harmony and peace was to summarily exclude the Communists from the government. Even members of the parliamentary faction are once again able to sit at the same table. There is even room for Esko-Juhani Tennila, on behalf of whom election work just a few weeks ago was considered to be such a great sin against the SKP that those local organizations organizing such election work on his behalf were suspended from the Lapland District Organization.

The fact that Taistoite [Stalinist] Seppo Toiviainen is able to speak for the parliamentary faction in an interpellation presented by the Communists attests to this unity.

But the party's internal conflict is still alive and going full force. The Taistoite districts purged the few majority members from their leadership positions at district meetings in the spring and the majority faction members accomplished corresponding purges in their own districts. Also the Construction Workers' Union, which is under the control of the majority faction, dropped even the last Taistoites from the union's leadership organs.

However, in the near future there will apparently be little news about conflicts among the Communists. Even LAPIN KANSA, the organ of the Lapland District, which has been a leader in the policy of purges, is putting the damper on the disciplining of Taistoites. At least this was the promise made by Yrjo Rautio, who inherited the chief editor's spot from the retiring Into Kangas.

Thus the most interesting information about the SKP in the next few months may only concern the party's economy. The loss of eight seats in parliament also meant the loss of 9 million markkaa in the form of party support, which also means a corresponding reduction in press support. Thus there may be some unpleasant surprises as the government distributes various types of hidden party support. A foretaste of this came in the proposal for the distribution of youth organization funds, in which a healthy amount was cut from the financial support for the Communists and was transferred to the youth organization of the SMP [Finnish Rural Party].

10576

CSO: 3617/143

CHANGES IN COMMUNIST PRESS OUTLINED

Helsinki UUSI SUOMI in Finnish 7 Jun 83 p 3

[Article: "Finnish CP Reaching Agreement on TIEDONANTAJA"]

[Text] An agreement is dimly visible in the press dispute of the SKP [Finnish Communist Party], which is primarily concentrated on TIEDONANTAJA, the organ of the party's minority. The Central Committee, which met over the weekend, considered a proposal which was supported by minority leader Taisto Sinisalo. There is also support for the proposal within the majority faction.

KANSAN UUTISET would continue as the joint organ of the SKP and the SKDL [Finnish People's Democratic League]. The periodical KOMMUNISTI as well as the organizational bulletin PAIVAN POSTI would be combined at the beginning of next year into a weekly paper, which will appear either as a separate paper or as a supplement to other communist papers. Later next year the intent is to combine this paper with TIEDONANTAJA, at which time they would form the organ of the SKP Central Committee appearing four times a week.

The solution to the press question in the SKP is being accelerated by the election defeat, which means that the party will lose approximately 9 million markkaa in support for its party newspapers.

10576

CSO: 3617/143

STALINIST PRESS ORGAN CHIEF ISSUES STATEMENT ON PRESS ISSUE

Helsinki TIEDONANTAJA in Finnish 15 Jun 83 p 2

[Article by Urho Jokinen: "Finnish Communist Party and the Press"]

[Text] Many have carefully read the guidelines concerning the press solution presented in the SKP [Finnish Communist Party] Central Committee. A decision on this issue was not made.

Quite a few have stopped to consider the issue and to ask what does this question concern. Naturally, it is a question of an important issue, in which there is beginning to be some movement away from those strict positions according to which KANSAN UUTISET is the chief organ of the SKP. In reality this has not been the case since writings in KANSAN UUTISET have deviated daily from SKP policy, decisions, and the workers' interests. Not to mention the fact that the paper has frequently opposed the international communist movement or a portion of it.

There are three important points in the guidelines of the solution to the press issue. The first deals with the acquisition of the SKP's own organ. It cannot be combined with another paper, but it must be the SKP's own paper. This condition is spelled out in the guidelines. In connection with this, there is talk about TIEDONANTAJA's role and about TIEDONANTAJA being combined with the party's weekly paper as the organ of the SKP.

TIEDONANTAJA's whole existence is based on the need for the SKP to have its own paper. TIEDONANTAJA was established for the reason that the SKP did not have its own newspaper. TIEDONANTAJA's fate even in the future is connected with this issue. TIEDONANTAJA's communist policy line and courageous writings on behalf of the SKP's policies have been a factor, an overwhelmingly important factor, which has expanded the base of the demand for the SKP's own newspaper. If there had been no TIEDONANTAJA, the demand for the SKP's own paper would never been created to such an extent. Or the same issue stated differently: if TIEDONANTAJA were to stop publication, if its communist line were not continuously made more profound, and if it were compelled to stop publication for achieving SKP unity, we would be making the elementary mistake of pulling the rug out from under the purpose of acquiring a newspaper representing the SKP. The SKP will receive its own newspaper when TIEDONANTAJA's communist line is approved and its circulation is expanded. This is the one and only premise from which we can proceed.

Secondly, it is important that when the SKP receives its own organ, whatever the name may be, the districts will have the right to publish alone or together a newspaper which will be in an equal position economically and otherwise or they should be able to receive support from the state as well as from the trade union movement. This demand is that same demand which TIEDONANTAJA has made over the years without receiving a response.

Thirdly, the publication of TIEDONANTAJA, the strengthening of its line, and the expansion of its circulation have been directed at the fact that KANSAN UUTISET cannot be the organ of the SKP because of its incoherent and inconsistent writings not to mention the peculiar and improper situation in which the SKP would be publishing its chief organ together with such districts which are not even supporting socialism, as is the case now.

Naturally, there is still much to be accomplished in the guidelines of the press question. For this reason a decision was not made, but development work will be continued.

10576

CSO: 3617/143

STALINIST ORGAN ATTACKS MODERATE CP PAPER FOR PEN CLUB ARTICLE

Helsinki TIEDONANTAJA in Finnish 8 Jun 83 p 3

[Article: "Finnish Pen Club as Axe Handle"]

[Text] The axe was swung once again in the direction of the socialist countries in Sunday's issue of KANSAN UUTISET. This time Editor Pertti Jokinen found help from the Pen Club, the international writers' organization.

In a one-column long article entitled "Colleagues Free!" Vietnam, the Soviet Union, Poland, Czechoslovakia, Yugoslavia, Angola, Ethiopia, and Cuba along with certain rightwing dictatorships were accused of depriving the freedoms of writers.

KANSAN UUTISET gave Argentina the worst marks from the point of view of writers. "The second largest problem country is the Soviet Union in a list of nearly 100 countries," wrote KANSAN UUTISET.

Vietnam was labelled as the third worst country by KANSAN UUTISET. For example, Chile was not mentioned at all as a country depriving the rights of writers. Even the military dictatorship in Turkey is considered to be insignificant in comparison with conditions in the Soviet Union in the opinion of KANSAN UUTISET!

The lack of judgment is further indicated by the fact that KANSAN UUTISET claimed that Czechoslovakia sentenced Jaromir Savandra to 2 years in prison "for loaning prohibited books to his friends and copying prohibited poems". This writer has now become an "adopted prisoner" of Finland's Pen Club.

The point of the whole article was directed against the socialist countries -- naturally, without any basis in fact. They were described as either worse or the same as fascist dictatorships. All this is a paper claiming to be the organ of the Finnish Communist Party.

Finland's Pen Club has been used previously as a weapon in the manner of Amnesty International. The former chairperson of the Pen Club, Ritva Haavikko, to whom rightwing newspapers have previously given a forum for anti-Soviet purposes, has been actively behind these efforts.

Now Chairman Lassi Nummi has given KANSAN UUTISET the impetus to slander the socialist countries.

Hentila Painted a Conflict

In the same issue of KANSAN UUTISET SKDL [Finnish People's Democratic League] General Secretary Jorma Hentila publicized an article disrupting Leevi Lehto's and Juhani Ruotsalo's peace movement, in which it is argued that there are internal military structures in the socialist countries.

In his article Hentila depicted a conflict between the peace movement and the socialist countries. "Presently, it is not at all possible for them to adopt goals which would be directed at traits appearing in socialist societies which are in conflict with the basic aspirations of the peace movement," wrote Hentila.

According to Hentila, the peace movement in the 1980's could bring about changes in the political structures of "certain countries".

This now makes several times that KANSAN UUTISET has criticized the socialist countries under the guise of the peace movement. The End-movement has continuously received space in the columns of KANSAN UUTISET regardless of the views it has presented. Now the prestige of the general secretary of the SKDL is being used to accuse the socialist countries of activities contrary to the basic aspirations of the peace movement. What activities did Hentila mean?

10576

CSO: 3617/143

SKDL SOCIALISTS TAKE STRONGER STAND IN ATTACKING COMMUNISTS

Helsinki HELSINGIN SANOMAT in Finnish 23 May 83 p 10

[Article: "SKDL Socialists Make Sharper Distinction With Communists: Convention Rejects Proposal for Separate Party"]

[Text] The socialists in the SKDL [Finnish People's Democratic Union] will sharpen their activities. The SKDL socialists, who organized themselves last December, decided in their two-day convention in Helsinki that they will in the future emphasize the fact that they are socialists, not communists. A motion was made in the convention to establish their own party, but this was not approved; rather the SKDL Socialist Society will concentrate for now on discussion of political ideas.

The socialists have built their own organization within the SKDL since last December. Almost one hundred delegates from 10 district organizations participated in this first convention.

The socialists' own central organization will probably ask to become a constituent member of the SKDL, in which case it would have the same status in name as a cooperating partner as the Communist Party, SKP. Membership for the socialist organization will be decided by the SKDL in the next meeting of the Union.

The socialists elected an executive committee to act between conventions, the chairman of which became Hilka Aalto, 34, of Hameenlinna, a candidate in social science. She is a member of the Hameenlinna city council and is employed as a researcher in the Greater-Hame Regional Planning Union.

Aalto was elevated to chairman of the executive committee in place of Kalevi Suomela, who had originally been proposed, because of the desire to emphasize sex equality, which had been much discussed in the convention.

Separate Party Possible

The establishment of a separate party was debated in the convention mainly on the basis of the motion that had been made. After the meeting, bank manager Ele Alenius, who had been chosen as chairman of the commission, denied that the socialists' intention was to create a new party for themselves in the present situation.

But Alenius did not completely reject the possibility of starting up a separate party. "If there is a need to create a party, this possibility is not excluded," said Alenius. According to him, however, a party cannot be established from above. According to Alenius the fundamental social currents are now not moving in a direction favorable to establishment of a new party.

Conflicts within the Communist Party and socialists' uncertainty about their own position were reflected also in statements issued by the convention. The socialists decided to send an open letter to the SKP, the contents of which will, however, not be released till Monday.

The socialists emphasize in the letter that the SKDL should develop essentially on a much more equal basis than at present. The six-point letter also goes into the burning question of the SKP and the press, and it gives suggestions on how the SKDL should act as an opposition party.

The socialists participating in the convention also demanded that all decisions made in the name of the SKDL be made in fact by the SKDL and not by the SKP.

SKDL Line Becoming One-Sided

After the meeting, the socialists' chairman of the board Ele Alenius strongly criticized the SKDL and its discussions of the issues. The SKDL has through the years developed in a single direction. According to Alenius the SKDL has by and large accomplished the task for which the organization was established. "The building of a basic foreign-policy line has been completed, and now the importance of the SKDL in political life is an open question," Alenius described the situation.

According to Alenius, the socialists have waited unreasonably long for the realization of their own organization. According to Alenius the socialists have not wanted to inflame the division between the SKP majority and minority by their own organization.

"We have decided that the period of waiting is past, and we have started to organize. But we sincerely do not want to form our own party," said Alenius, according to whom it is important in principle that the SKDL not rely too much on Marxist-Leninist ideology.

In connection with the convention, a broad discussion of ideas was conducted, during which their own ideas were also subjected to thorough criticism. The subject was the socialists' draft program, which in places is a direct quotation from the program of the Greens. The socialists talk about a citizens' society, an alternative energy policy and unilateral disarmament.

Alenius crystallized the convention's ideological masochism by saying that Socialism should have comprehended the values promoted by the single-issue movements long ago. According to him, Socialism provides a common denominator to the work of the Greens. The socialists' principles of action are, in addition, close to those used by the Greens. "We are looking for new ways to influence society," said Alenius.

Jaruzelski Received Letter

The socialists also debated the question of human rights in the convention. The convention was not afraid to discuss human-rights violations even in socialist countries.

The convention started an exchange of letters with Poland as well as with the SKP. A letter ~~was sent~~ from the meeting to General Wojciech Jaruzelski, leader of the military government of Poland. In the letter the persecution of artists by Polish officials was condemned, and the fate of movie director Andrej Wajda was especially deplored.

The SKDL socialists decided unanimously in their convention to oppose the acquisition of a fifth nuclear power plant for Finland.

9611

CSO: 3617/132

MAIN COMMUNIST PARTY ORGAN CUTS STAFF IN AUSTERITY MOVE

Helsinki UUSI SUOMI in Finnish 19 May 83 p 2

[Article: "KANSAN UUTISET in Difficulty: Staff to be Reduced"]

[Text] The main voice of the SKP [Finnish Communist Party] and SKDL [Finnish People's Democratic Union], KANSAN UUTISET, will have to reduce its editorial staff by a total of 22 persons by the end of the year, because of its financial difficulties.

According to Erkki Kauppila, editor-in-chief of KANSAN UUTISET, ten of the 22 people to be terminated are editors and the rest are typists, photographers, and telex operators. KANSAN UUTISET, which will become a 6-day-a-week paper beginning in July, has felt the poor election result as the last drop in an already full cup [of reverses].

A strong campaign in support of KANSAN UUTISET has begun within the labor unions. The campaign will continue in the fall as well. The example was shown by the convention of the Finnish Construction Workers Union, which has collected over 14,000 markkas for the paper.

Pirkko Pesonen, assistant chief trustee at KANSAN UUTISET, observes that actual firings will hardly be necessary, as part of the workers to be terminated have already left, and part will leave voluntarily by the end of the year.

9611

CSO: 3617/132

NEW COALITION GOVERNMENT SETTLES INTO POWER, ISSUES PROGRAM

Conservative Paper Gives Backing

Reykjavik MORGUNBLADID in Icelandic 27 May 83 p 16

[Editorial: "The Launching"]

[Text] A new government was launched yesterday with the issuance of provisional laws in order to save the ship of state from the tidal wave of 1 June. The government does not take over a good situation. There is great uncertainty ahead. The situation left by the former government is the worst in almost 40 years of the history of the republic. It is of great importance that the public be made keenly aware of individual features of the national economy, and the government ought to authorize public institutions to compose an accessible overview with graphs and explanations of developments of the last 5 years. Only by putting all the cards on the table without any hesitation can the new ministers expect to gain the trust and confidence of the public, but without that they can accomplish very little. Reports about the likelihood of the National Treasury operating at an enormous deficit this year are in contradiction to the loud statements of Ragnar Arnalds, the People's Alliance minister of finance, to the effect that the status of the national finances has never been better than during his time in office. It would be preferable to have available now at the government changeover an evaluation made by unbiased people on the current status of the National Treasury, and in connection with that it can be pointed out that Reykjavik City conducts a study of the financial situation whenever a majority changeover takes place.

The political program of the new government shows that it is made with 1 June in mind. However, it leaves room for action for a longer period than just 3 months. The so-called index system--automatic wage increases in accordance with the rate of inflation--is disconnected, as it has been labeled, for 2 years, or until 1 June 1985. This decision does not come as a surprise to anyone who has followed the debates during recent weeks. This decision receives political support outside the ranks of the parties that form the government but it is one of the most important roles of the leader of the new government to explain to all the people why this decision is necessary and demonstrate with clear documentation what would happen if this decision had not been made. As did the earlier governments which have resorted to cuts

in index compensations--during the reign of the People's Alliance from September 1978 it was done 14 times in all--the new government has decided to aid those who fare the worst. These measures will not be disputed although many would prefer to have them more extensive. What is of the greatest importance, of course, is that the heavy burden the whole nation now must carry, when faced with the day of reckoning after the disastrous management of the leftist governments since 1978, will be divided so that no one will collapse.

It was not to be expected as the situation now is such that grand promises of fresh endeavors would characterize the coalition agreement of the new government. To be sure, there are provisions for amendments of the administrative system, and hopefully the ministers will have some time off from the battle with inflation to take care of various pressing improvements in that area. It is a pleasure that the peculiar ideas of the People's Alliance regarding the defense of the country and heavy industry no longer exist. The construction of a new air terminal will begin and a new policy in relations with Alusuisse has been formulated. With increased flexibility in foreign exchange trade, a sensible policy has been introduced. Thus more could be mentioned as an example of desirable innovations.

The majority of the new government members have not been ministers before. All the ministers deserve a transition period before it can be expected that their views will be felt in policy formation but at the same time it is expected that work will be done in all areas. There do not seem to be any plans about calling the parliament into session before the regular time this fall. Parallel to the ministers familiarizing themselves with individual issues, each in his field of work, it is important that they put emphasis on introducing the policy and views of the government outside the government, as that is the only way of laying the foundation for a united effort of the nation, which is necessary in order to implement the economic policy. The result will be decided by the trust the government gains through all its actions, both large and small.

Party Press Organs on New Coalition

Reykjavik MORGUNBLADID in Icelandic 28 May 83 p 7

[Commentary: "The Newspapers and the Government"]

[Text] The Staksteinar commentary today publishes excerpts from the newspaper editorials on the formation of the new government. Especially noteworthy are the TIMINN descriptions of the terrible state of the national economy now after the Progressive Party has been in the government for 12 years.

Greatest Problem in Half a Century

The editorial of TIMINN, the Progressive Party organ, is more negative now than before the elections about the situation left by the government of Gunnar Thoroddsen. The paper's editorial yesterday on the information of the new government states, among other things:

"The government of Steingrimur Hermannsson, which came to power yesterday, faces great problems. No government has come to power during the last 50 years under more difficult circumstances, with the exception of the government of Hermann Jonasson which came to power in the summer of 1934 and the government of Stefan Johann Stefansson which came to power in the beginning of 1947.

"Those two governments took over an unfavorable economy due to different reasons. In 1934 the worldwide depression had led to the collapse of the marine product market and added to that was a great failure in the cod catch. This was a problem created by reasons beyond control.

"The same cannot be said about the difficulties inherited by the government of Stefan Johann Stefansson. They were almost totally homemade. In a few months the reform government of the Independence Party, the Socialist Party and the Social Democratic Party had succeeded in spending the complete plentiful currency fund which had been collected during the war years and only a limited portion of the fund had been used for useful purposes. The remainder had been used for wasteful spending and high living. After the reform fiasco, the foreign currency fund was so drained that rationing had to be implemented on various necessities. By that time, the Socialist Party had backed out. In many ways the position of the People's Alliance now reminds one of the position of its predecessor at the time."

"Everything for the Conservatives"

An editorial in THJODVILJINN [People's Alliance organ] under the headline "Everything for the Conservatives" states, among other things:

"It is the conservative blitz against the living conditions which is introduced with no advance notice in the coalition agreement. The Progressives are used as draught horses for the war wagon of Icelandic capitalists in its class war on the common people. The saddle that has been put on them seems to suit them well, in the beginning anyway whatever the outcome.

"When the need was greatest for a united nation, Steingrimur Hermannsson and Geir Hallgrimsson elected, on behalf of their parties, to wage war on wage-earners in the country and their associations. They claim that they don't have to talk to the labor unions about anything at all; everything will be by command and orders only. This is, of course, the surest way of lighting a fire of unrest all across the society and it would not be surprising if that fire will not burn the throne of the chairman of the Progressive Party before long, the seat he received as a price for bringing the leaders of the Independence Party all power within the administration."

"In the Spirit of the Progressive Party"

The editorial of the DAGBLADID/VISIR [independent, middle of road] the day before yesterday says, among other things:

"The most positive thing about the new government is that it will, after a 5-year pause, implement a sensible policy for defense and heavy industry. In these areas it will pursue a policy which is in accordance with the wishes of the majority of the people....

"In economic matters there is less reason for optimism. The new government is no reconstruction government which tears down the walls of planning and state ideology. It does not open the economic system and will not bring pricing to a tolerable marketing level.

"The cut in living conditions is a temporary medicine if freedom in the economic life is not included in the dose, so that before long the cut in living conditions will disappear in the wave of a new wage and benefit offensive as happened already during the reconstruction government's first term in office.

"The new government has agreed on a political program in the spirit of the Progressive Party. The agreement is drenched with state and planning ideology which is manifested clearest in the fact that wages on land and at sea will be decided to a considerable degree by law until next spring."

Parliamentary Service and Ministerial Posts

It is remarkable how people confuse the conceptions of the connection between parliamentary service and ministerial posts. This came forth, among other things, in a direct line to the radio yesterday morning when a radio newsman was unable to answer the question of whether anyone had ever been a minister without being a member of parliament. The available example is Dr Kristinn Gudmundsson who was the Progressive Party foreign minister from 1953 to 1956.

Since there have been discussions about the position of Geir Hallgrímsson in this regard, it is appropriate to point out that during the primaries for the Independence Party he was the seventh on the list in the total number of votes. Last time the incumbent prime minister, Gunnar Thoroddsen, participated in such primaries, he got ninth place on the list in the total number of votes but due to the method used in conducting the primaries, Thoroddsen received a safe seat in the parliament. It should also be mentioned that the seventh man on the Independence Party's list in Reykjavik probably received a larger number of votes than the combined votes of all the ministers of the Progressive Party, although rules about the distribution of parliamentary seats between the voting districts dictate that the seventh person on the list does not receive a parliamentary seat.

Ministers Discuss Fisheries, Economy

Reykjavik MORGUNBLADID in Icelandic 28 May 83 p 3

[Article: "Minister of Fisheries Halldor Asgrímsson at a Government Press Conference Yesterday: The Condition of the Fisheries Is Very Serious, More Serious Than I Realized"]

[Text] "This means measures to keep the industries going and all calculations in connection with that are in reality of no value. What is of the

greatest importance is that the basic industries can keep going so that the people can have jobs. If that does not happen, there are no salaries in the country so that these calculations that people have been brandishing, even in recent years, are of little value when a society is faced with conditions such as we have now.

"In any case, it is clear that the conditions of the fisheries is very serious, and more serious than I had realized," said Halldor Asgrimsson, minister of fisheries, among other things, at a government press conference yesterday when the ministers were repeatedly asked about the conditions and outlook of state finances. Four ministers attended the meeting: Steingrimur Hermannsson, prime minister; Albert Gudmundsson, minister of finance; Halldor Asgrimsson, minister of fisheries; and Matthias A. Mathiesen, minister of commerce. At the meeting they introduced the five provisional laws that were issued yesterday.

The provisional laws are published separately in this paper. It came forth in the statements by the ministers that the position of the industries is very poor and the laws were enacted in order to prevent the collapse of these industries. The provisional laws contain, among other things, cut and fixed wage index increases. To counter these, 400 million kroner will be used for so-called "softening-the-blow measures" for the people who are hardest hit. Minister of Finance Albert Gudmundsson was asked how these funds were to be obtained. He said that a study of the National Treasury was being conducted and that would be disclosed when the conclusions are available. Steingrimur Hermannsson, prime minister, added that such a general study had been approved at a cabinet meeting yesterday morning.

There were long discussions about the status of fishing and fish processing. The minister of fisheries was asked, among other things, how the difference in exchange rate would be used. He said that there had not been enough time to finalize that but added: "The government will do that at a later stage in consultation with economically interested parties, but I feel it is correct to let it be known that the situation varies within the fleet. At a quick glance it seems to me that the situation is probably worse in the smaller tern trawler fleet, not to mention the capelin fleet, although it is difficult to use this as a base of reference. It can be said that a natural disaster occurred as no capelin was caught last year and therefore the situation is still worse." It also came forth that it is considered that these economic measures should improve the status of the fisheries in general by 5.1 percent.

Concerning the legal fixing of wage increases, the prime minister was asked how the government planned to prevent people from negotiating privately on wage compensations. He answered that according to these laws, it would be illegal for 2 years and he assumed that people would not negotiate anything that was not legal. He was also asked whether punishment had been decided for such offenses. "That will be decided according to the general penal law. It was decided not to make any special penal provisions."

Because of discussions on pricing and the fixing of wage increases, the prime minister was asked whether the increase in the price of agricultural products by 8 percent at the end of the month did not mean an increase in the wages of farmers by 20-30 percent. He said that this was an old and well-known problem. The price of agricultural goods was composed on the one hand by the farmer's wage factor and on the other hand by the operational cost. The prime minister said that it is well known that it has increased considerably during the last 3 months, or about 23 percent. These figures alone mean about a 15 percent increase in agricultural goods, and various associated costs were not included. He said that the price of agricultural goods was not available, but a great increase was expected. Hermannsson reiterated that this was a very difficult matter and said that it was the only way out in order to get inflation down.

The prime minister said at the conclusion of the meeting, after the projected cut in purchasing power had been discussed somewhat and he had disclosed that it had been calculated that it would be 8 percent for the remainder of the year, if no measures would be taken: "During recent months in the Ministry of Fisheries I have been working on trying to keep businesses going with regard to wages. We were working on debt roll-over, credits and anything you can imagine in order to prevent the closing of the businesses. I mention this because I am convinced that this will not work any longer. I am more convinced about that than anything that strict measures, stricter measures than I would like, are needed. But we cannot continue this in a 110-112 percent inflation; the inflation must be brought down."

New Independence Althing Leader

Reykjavik MORGUNBLADID in Icelandic 28 May 83 p 2

[Article: "Parliamentary Group of the Independence Party; Olafur G. Einarsson Elected Chairman"]

[Text] Yesterday Olafur G. Einarsson, member of parliament, was elected chairman of the parliamentary group of the Independence Party. Member of Parliament Halldor Blondal was elected vice chairman of the parliamentary group and Thorvaldur Gardar Kristjansson, member of parliament, was elected secretary. Olafur G. Einarsson gave this information to MORGUNBLADID yesterday.

According to information MORGUNBLADID has received, voting went as follows: Olafur G. Einarsson received 12 votes in the vote on the parliamentary group chairman and Ellert B. Schram received 9 votes. In the election of the vice chairman, Halldor Blondal received 14 votes, 6 abstained and 2 were invalid. Thorvaldur Gardar Kristjansson was self-elected as secretary.

Hallgrimsson on Foreign Policy Concerns

Reykjavik MORGUNBLADID in Icelandic 27 May 83 p 11

[Article: "The Air Terminal and Fuel Tank Projects Will Not Be Delayed, Says Foreign Minister Geir Hallgrimsson"]

[Text] "Thirty years have passed since the late Bjarni Benediktsson handled foreign affairs on behalf of the Independence Party but the policy in foreign affairs has, however, always been formed by the views of the Independence Party. Nonetheless, the execution of a foreign policy is of great importance," said Foreign Minister Geir Hallgrímsson in an interview with MORGUN-BLADID last night when he was asked about the main projects that awaited him in the Foreign Ministry.

"In fact, the Independence Party has formed the policy in foreign affairs ever since the founding of the republic with some serious exceptions, however, and there is always the risk that they might recur. It is therefore all the more important to stay on course in the area of foreign affairs. The handling of foreign affairs is in fact a way of ensuring the constitutional independence of Iceland and can be the deciding factor whether it is ensured. The goal of all Icelanders is hopefully to ensure the security and right of self-determination of the Icelandic nation in such a way that there will be no doubt that the country directs its own affairs.

"The situation in world affairs demands that we participate wholeheartedly in the defense cooperation with Western countries and a factor of that cooperation is the presence that the Defense Force presents in Iceland. To a greater extent than before, we are obligated to evaluate for ourselves the necessity of the measures that are to be taken for the security of Iceland in particular and the Western states in general by utilizing the knowledge of Icelanders in the field of military and defense affairs to advise the authorities in these matters. In this time of change I want to compliment Olafur Jóhannesson on his job as foreign minister during the recent years, when he stood guard over a healthy and logical foreign policy," said Hallgrímsson.

[Question] What about the project in Helgúvík and the new air terminal building?

[Answer] Regarding the matters of dispute that proved a stumbling block to the previous government, either because of the public veto power of the People's Alliance with regard to the building of an air terminal in Keflavík or with regard to veto power according to a secret agreement about other necessary projects because of the security of the country, it is clear that such veto power no longer exists. Projects in the agreed area will hereafter be allowed in accordance with Iceland's security needs and also with respect to the joint interests of the Western states for the protection of peace in our part of the world. In accordance with these viewpoints it is clear that the air terminal project and the oil tank project in Helgúvík, which, however, is mainly pollution prevention, will not be delayed any longer.

[Question] What do you want to say about the current collaboration?

[Answer] We Icelanders now confront the greatest economic problem we have experienced in recent decades. It is therefore necessary to resort to drastic measures if all is to go well and there is need for united national effort. It was the Independence Party's duty as a leading power in the nation to be

instrumental in forming a majority government which had the courage to tackle the problem. It has been successful but the understanding of the public is the prerequisite that the objective will be achieved, said Geir Hallgrímsson.

Government Announces Program

Reykjavik MORGUNBLADID in Icelandic 1 Jun 83 pp 22-23

[Article: "Political Program of the Government of Steingrímur Hermannsson"]

[Text] There is a dire need for the nation to break out of the vicious circle of inflation in order to ensure the basis of the economic life, prevent unemployment and reduce debt collection abroad. Only with extensive, harmonious measures, which cover all phases of the economic system, is it possible to overcome the trials which now confront the national economy and lay the foundation for progress.

Therefore the government has set the following goals with its first measures in economic affairs:

--Employment security.

--Reduction of inflation.

--Acceptable balance in foreign trade.

--Protection of the purchasing power of the lowest wages and the living conditions of those who have the largest families.

The government's first measures in economic affairs should be viewed as an important factor in its economic policy with the following objectives:

--Get the nation's economic affairs into an acceptable balance.

--Direct investments primarily toward profitable projects.

--Encourage progress and variation in economic life.

--Improve the organization of the administrative system and monetary and credit institutions.

Later in this article, the measures that the government has decided on will be explained further and the need for a radical policy change is urgent in order to stave off the unfavorable development which would have sailed in the wake of uncurbed inflation and imbalance in the national economy and jeopardized the economic freedom of the country.

Economic Affairs

1. The Basis for Economic Policy

Stability will be created with a realistic foreign exchange rate policy which, along with a prudent financial and monetary policy, form a frame for decisions in economic life. At the end of a period of adjustment, the members of the employment market will be responsible for agreements about wages and benefits in view of the official policy in foreign exchange rate affairs and wage affairs.

2. The Price Compensation System

The current arrangement of wage and price decisions, an automatic mechanical zigzagging of the price compensation system, is heading toward disaster. It is therefore necessary to revoke the provisions of laws and agreements concerning wage-price compensations from 1 June 1983 to 1 June 1985. During that period, an agreement will be sought about abolishing the index system or for another base of reference for wage changes.

In order to reduce the disturbance which at first goes with abolishing wage-price compensations and give the labor market time to adjust to new conditions, wage changes will be decided by law for some time to come as follows:

On 1 June 1983 wages will increase by 8 percent. Minimal wages, however, according to the provisions of the wage agreement between ASI [Iceland Federation of Labor] and BSRB [Federation of State and Municipal Employees] will increase by 10 percent on 1 June 1983.

On 1 October 1983 wages will increase by 4 percent.

All valid and most recently valid wage agreements will be extended in this manner until 31 January. The government will, in connection with the execution of the Budget and the Credit Budget and Investment Program for the year 1984 and in light of the national budget after discussion with members of the labor market, form a policy in financial affairs, monetary affairs, foreign exchange rate affairs and wage affairs and make decisions about necessary measures to secure a continuing reduction of inflation, protection of purchasing power and employment security.

3. Protection of Purchasing Power

Uncurbed inflation will result in unemployment and extensive wage cuts. Reduced inflation therefore offers increased employment security and lasting wage-terms improvements. It cannot be avoided, however, during the period of inflation reduction that the purchasing power of wages will shrink, at least mathematically for some time, in the beginning, as resistance to inflation will cause disturbances in the way people live.

The government has decided to improve the situation of those who fare the worst with the following wage compensations:

3.1. Public Transfers

These wage compensations, which will mostly serve those with the lowest wages and the largest families, are:

1. Taxes and duties which now are added heavily to various necessities will be lowered.
2. Child compensations up to the age of seven will be increased.
3. Income tax will be lowered with increased personal deductions.
4. Equalization of house heating costs will be increased considerably.
5. Income insurance for pensioners will increase beyond salaries, and salaries to mothers and fathers will increase separately.
6. The increase of pensions will be in accordance with general wage increases.

3.2. Other Wage Compensations

1. Extensions will be granted in paying interest and amortizing price-insured loans.

The deferred payments will be added to the loan capital and the time of the loan will be extended so that the credit burden at any given time will not increase for those reasons. This measure will apply to loans from the State Building Fund, the Workers Building Fund, pension funds, banks and savings institutions.

2. General agreements will be made with credit institutions about debt roll-over loans for those who have taken loans for construction or are purchasing their own housing for the first time during the last 2-3 years.

4. Pricing

For the time being, only the necessary increases in prices of goods and services will be allowed to meet unavoidable cost increases. Later, public interference will be reduced so that consumers and industry will enjoy the advantage of free price formation where competition is sufficient. Municipalities will themselves decide the rate of their service institutions.

5. Agricultural Prices

The wages of a farmer and his workers based on the value of agricultural products shall not increase beyond limits set by general wage changes. The changes in agricultural prices will in other respects be handled in the same way as other price affairs.

6. Fish Prices

The price of fish species specified in the announcement from the Fisheries Price Fixing Board, number 4/1983, will not increase on the average beyond the limit set for general wage changes.

7. Interest and Price Insurance

Interest will be lowered in accordance with the level of inflation later in the year, as soon as the results of the anti-inflationary measures allow. The basis for credit terms will be revised and the aim set for a longer time of credit.

8. Housing Affairs

Loans from the State Building Fund to those who are building for the first time will increase at the end of this year. At the same time the housing credit system will be strengthened in the coming years to the extent that these loans will amount to almost 80 percent of the cost of building a standard apartment. Corresponding increases will be granted to those who are buying an apartment for the first time.

9. State Finances and Foreign Borrowing

With everything unchanged, the outlook is for a considerable deficit in the National Treasury in 1983. All means should be explored to minimize the deficit.

The increased expenses of the National Treasury because of the measures that have been decided in order to strengthen the position of those who are hardest hit will be met as soon as possible with savings and restraint in state operations.

In writing of the budget for 1984 the aim will be to regain the balance of state finances.

Total revision of state finances will be conducted during the preparation and writing of the budget in the future with the objective of reducing government activities and expenses. The arrangement of duties and import duties will be simplified, and the effects of stockpiling will be eliminated, with the aim to reduce them. Restraint will be practiced in foreign borrowing and such will be applied to profitable projects.

The Industries

1. General

In order to increase economic growth and employment security, emphasis will be put on strengthening work operations and job buildup. For that purpose the work conditions of the industries will, among other things, be equalized and the competitive position of Icelandic industries strengthened. The tax laws will be changed so that they will stimulate investment and internally generated funds in economic life.

In individual industries emphasis will be put on the following measures, among others:

2. Fisheries

The profit from fish stocks and economic utilization of the fishing fleet go hand in hand. Efforts will be made to catch more species of consumer fish. The pricing of fish catches will be based on quality but that is the prerequisite for improved merchandise quality and increased responsibility of producers and exporters themselves.

Research in the fishing industry and ocean research will be strengthened in cooperation with the companies themselves and with their participation. Measures to save energy in fishing and fish processing will be increased.

Cooperation will be established with neighboring countries to ensure the maximum profit of the fish stocks that travel between the nations' economic zones.

Immediate measures will be taken to meet the operational problem in the fisheries. At the same time a thorough study will be made of what can be done to increase efficiency in fishing and fish processing.

The Price Equalization Fund for the Fishing Industry will be strengthened and it will only be used to equalize fluctuations in the price of marine products.

3. Agriculture

3.1. Adjustment of agricultural products for marketing possibilities will be implemented and the need for export subsidies will be reduced so that they will be decreasing.

3.2. Laws concerning the Agricultural Production Board will be revised; among other things in respect to the following points:

1. The planning of agricultural production according to districts or production areas in which production conditions, marketing, quality of land and reasonable utilization of land are taken into account.

2. Changes in the pricing system.

3. More efficiency in the garden produce trade.

3.3. Emphasis will be put on innovations in the processing and selling of agricultural products and efficiency in order to reduce processing and distribution costs.

3.4. New agricultural branches, such as fur farming, fish farming et cetera, will be increased and a larger part of the agricultural appropriations will be given to those branches.

3.5. By these measures and other necessary measures, regional disturbances will be countered and the interest of farmers secured.

4. Industry

Efforts will be made to improve the work conditions in industry. This will be done with, among other things, improved conditions for internally generated funds, easier access to operational loans and investment financing, improvements in tax and duty affairs, practical research operations by the state, abolition of price regulations in competitive industries, import policy by public parties et cetera.

The same quality and security requirements apply to imported goods as to Icelandic products. Furthermore, measures will be taken, international agreements permitting, to protect Icelandic manufacturing against abnormal support measures and undercutting.

5. Energy Affairs and Energy-Intensive Industry

The country's energy sources will be utilized in order to lay the foundation for a new progress effort for the nation. In constructing the energy power plants, care must be taken to maintain the balance between the marketing of energy and power plant projects.

Negotiations will be resumed with Alusuisse about a considerable increase in the cost of electric power and other factors. Possibilities of a third owner in Iceland Alloys Ltd will be looked into in connection with a financial reorganization. New ownership will be made possible for the Diatomite Plant.

Reorganization of the Administrative System and Monetary and Credit Institutions

1. The Administrative System

In order to make the administrative system more effective and to improve administration, the government will be instrumental in changing the administrative system.

The objective of such administrative changes is to simplify public administration service, improve economic control and coordinate decisions in public investments, reduce government activities and increase supervision by the legislative power with the executive power, for example:

1. A bill will be submitted to the Althing for new laws about the Central Administration of Iceland.

2. The Government Audit Department will be changed to the effect that it now will be under the Althing.

3. Operational supervision of state-owned firms will be increased, for example, with increased marketing restraint.

4. Increased contracting for public projects.

2. Monetary and Credit Institutions

It is important to secure an increased rate of return of project funds, secure domestic savings and revise the fund and banking system. In connection with that the following will be done:

1. Excessive expansion of the banking system will be prevented by encompassing legislation for banks and savings institutions. The chief management will be brought under one ministry.
2. Current production and operational credit system will be revised with the objective, among other things, that these systems will be handled by commercial banks.
3. The investment fund system will be reorganized. The goal will be to decrease the number of funds by combining them in order to reduce cost and make their operation more solid by, among other things, coordinating credit terms.
4. Emphasis will be placed on variations in saving methods for the public, for example, savings by agreement connected with the right for housing credit.
5. Freedom in foreign currency exchange will be increased and the right to keep money in domestic foreign exchange accounts will be eased.
6. The law of the Economic Development Institute will be revised. The projects of the planning department will be transferred to other institutions. The Economic Development Institute will be placed according to the reorganization of the fund system. The credit policy of the Building Fund will be changed in accordance with its original purpose and simultaneously the automatic credit system will be abolished.

Foreign Affairs

The main objective in the foreign policy of Iceland is to ensure the independence of the country and preserve the interests of the nation. This will be done by, among other things, participation in Nordic cooperation, defense cooperation with Western nations, international cooperation in economic affairs, the operation of the United Nations and institutions connected thereto. In the international arena, Iceland will promote increased humanity, human rights and peace.

The policy of Iceland in disarmament matters will aim at promoting mutual and multilateral disarmament and ensuring its execution by international supervision.

Close guard must be kept on full rights of Iceland within the economic zone, and the country's rights on the sea bed areas outside of it will be as guaranteed as international law permits.

The government puts emphasis on welfare, equality, security, education, social reforms and good health services. The government will during its term work towards these and other matters of progress.

26 May 1983

DEN UYL ON PARTY'S RELATIONS WITH CDA, VVD

Amsterdam ELSEVIERS MAGAZINE in Dutch 28 May 83 pp 56-57

[Article based on interview with J. M. den Uyl, Labor Party leader: "We Can Work Well with the Liberals"]

[Text] During the debate on the Spring Memorandum last week, J. M. den Uyl, leader of the PvdA [Labor Party], reacted sharply to the VVD's "populist airs." In this same VVD [People's Party for Freedom and Democracy], however, he sees many active young men and women and says: "I can easily imagine them as members of the PvdA."

No real winners emerged last week from the debates on the Spring Memorandum. The Lubbers administration did obtain a majority in the Second Chamber for a go-ahead for new changes in the collective sector starting 1 October, but the cost was high. It was PvdA leader J. M. den Uyl who cleverly pointed this out in the second round of the debate by remarking that the two ruling parties, CDA [Christian Democratic Appeal] and VVD, "were passing the buck to one another on several vital issues."

The Christian Democrats wish to revise the economic scenarios on which the coalition agreement is based, on step for which the liberals, supported by the Cabinet, have little sympathy. Premier Lubbers expressed it last week in this way: "Don't you agree that certain disappointments, the disappointing natural gas profits for instance, are making it difficult for us to carry out the coalition agreement? Of course, we're having certain difficulties. Naturally, certain tensions arise, surely in those cases where the numbers or goals that we intended to attain were made a part of the coalition agreement. What are we to do about it? We must continue to endorse the letter and spirit of the agreement."

CDA leader B. de Vries had to return to his party with empty hands after this lecture. Nor did the Christian Democrats find much support from the Cabinet for their plea for a coordinated economic stimulation policy in Western Europe. After much twisting and turning, Finance Minister Ruding interpreted De Vries' supporting motion as a kind of declaration of support for the policy conducted by the Lubbers Cabinet. Thus De Vries was turned down again.

After the debate on the Spring Memorandum had run its course, the Liberals too had little reason to celebrate. The Liberal's socio-economic expert, R de Korte, during a break in the proceedings, managed to coax from the finance minister the statement that the Cabinet must trim at least 10 billion in 1984 because of fiscal shortfalls, but Ruding deftly left it undecided how this cut would eventually be apportioned among the departments. Despite repeated attempts, De Korte was unable to get clarification on this point.

A much more damaging blow to the morale of the VVD was the fact that all efforts to protect the aged from a possible 2 percent reduction in their old age benefits as of 1 October were frustrated by a wall of obstinacy in the Cabinet and CDA. To the malicious delight of the Christian Democrats, it was, of all people's, Den Uyl's own motion on the old-age benefit problems that forced the Liberals to show their true colors. The VVD was also unable to prevent the Cabinet's decision, upon consulting with the CDA, not to reduce social benefits if government workers continue to refuse to give up more in the new budget year beginning 1 October.

In a word, the VVD was deprived by the opposition, the Cabinet and the CDA of any opportunity of scoring points. Welfare Minister De Koning himself mentioned an "essential difference with the VVD's way of thinking" when he defended linking the minimum wage and welfare benefits to the wage settlements in the market sector. E. H. T. M. Nijpels had earlier made it clear to the Cabinet that the Liberals no longer supported this wage linkage idea.

For Den Uyl this much is clear: the ruling parties last week were trying to ride their hobbyhorses in public because they have little or no confidence in the Cabinet's current policy. While acknowledging that a party's efforts to gain a profile are a natural part of politics, Den Uyl remarked: "This tells us much about the position of the Cabinet and the ruling parties. The debate among themselves served clearly to show how great is the disagreement concerning ways to restore the economy."

On the conflict in the government, Den Uyl said: "It is caused primarily by three factors. The VVD has grown, and the younger members have a different attitude toward the CDA. The VVD no longer perceives itself as second fiddle and, accordingly, no longer conducts itself as a subordinate. The second factor is the inexperience of both party chairs. The fact is that De Vries had had little experience in the Second Chamber before his unexpected selection as head of the CDA. Lubbers also ran a great risk by taking all the experienced members of the CDA Party into the Cabinet. Nijpels is a very gifted politician, but everyone can see that he is a greenhorn. Finally, the third and most significant factor is that the CDA, albeit slowly, is on the decline. That causes uneasiness."

Question: How do you see this uneasiness expressing itself?

Den Uyl: Within the CDA, this uneasiness manifests itself in the feeling that the Party is losing its grip on power. Its old positions are being undermined. Look at the desperate manner in which the Christian Democrats claimed a mayoral office in Leeuwarden, or their cry for the post of Queen's Commissioner

in Gelderland. You can also see it in the ups and downs of the CDA roller coaster. On the one hand, the CDA seeks contact with the CNV [National Federation of Christian Workers in the Netherlands], only to forfeit the union's trust by soon carrying out some political measures. Then they make a bid to the Right, in order to stem the growing influence of the VVD. Look at the statements of CDA Chamber member Mateman, who wants to divide the VVD. Because of the competition of the Liberals and the wish to avert excessive losses, the CDA is courting the Right, which provokes reaction from the Party's left wing. Clearly, there is tension in the CDA. It means that the Party has to concede now to the Right, now to the Left, and this makes its members uneasy.

Question: The political strategy of the VVD is nevertheless working. The VVD following is stabilizing in the opinion polls, whereas the CDA is showing losses.

Den Uyl: The VVD has tapped a new class of voters, mostly middle-class and young. The latter are led by Nijpels. He is correct in thinking that he should further exploit these new sources. If he doesn't do that, the VVD will lose the 10 seats in the next election. Thus, sheer self-preservation compels Nijpels to conduct an ongoing campaign.

This puts pressure on the Cabinet and can have a boomerang effect. Consider the old-age benefits question. Nijpels made three proposals on the matter. He could have saved his face if he had mustered support from the VVD members of the Administration for just one proposal. That didn't happen. In this question, Nijpels was totally isolated. He cannot afford to let something like that happen again. For this reason, he'll be under pressure to get something from his ministers before long.

On the other hand, the same is true for the CDA. De Vries' prestige was damaged by this debate. The debate on the international pump-priming policy, for instance, caused the Lubbers Cabinet eventually to be more accommodating to the wishes of the CDA. This shows that the Cabinet is coming under pressure.

After the tragedy of the Van Agt Cabinet and the early elections, there was a general feeling that now at last we have a team of ministers who are really busy. Well, this halo is fading fast. It's not so easy for me to predict that this Cabinet will fall prematurely, like the second Van Agt Cabinet. Both the CDA and the VVD are losing ground, as you know.

Question: There is still a difference: in the second Van Agt Cabinet, there were great tensions among all the ministers, and not as many between the then ruling parties in the Second Chamber.

Den Uyl: You're entirely correct. I still say that the second cabinet didn't have to be the way it was. I shouldn't have agreed to the Van Agt premiership. I did it under pressure from D'66 [Democrats '66]. It is one of the most questionable decisions I ever made. My instincts said no, and my head yes. I should have simply followed my instincts.

Question: The fact, as you say yourself, that this cabinet stood aloof from both ruling parties during the Spring Memorandum debate reflects the unanimity within this administration.

Den Uyl: This is not a homogeneous cabinet. There have been lots of internal problems whose repercussions have been felt outside the Cabinet. Of course, it's very important that the Cabinet members get along with one another. That was the case in the Marijnen cabinet. According to what I have heard, the ministers visited one another's homes, drank wine together and so on. But there was no vitality to it. The relations among the ministers were outstanding during the Cals Cabinet, too, but it was brought down by the differences between the ruling parties.

Lubbers had to stand by helplessly while Nijpels and De Vries did battle with one another in public. Lubbers brought that on himself, though. He took no steps at all to assure real teamwork between the two party chairmen. Before the Second Chamber debates, he should have thoroughly discussed the matter with both men. That is a poor example of political leadership.

Question: Last week, you labeled the debate between Nijpels and De Vries a game of passing the buck. That must have implications for the 1984 budget estimate that the Cabinet is putting together now.

Den Uyl: The CDA and the VVD both have one interest: neither wishes to be seen as a typical austerity party. This struggle began even before the Spring Memorandum was presented. The VVD insisted that Welfare Minister De Koning had to make reductions in welfare benefits. Premier Lubbers' reaction was clear. He stated that there would be no cutbacks in welfare spending unless government workers gave up something again.

By using this ploy, the CDA and the VVD tripped up the forces calling for retrenchment. What with the two parties doing nothing for months but knocking the retrenchment ball into the other's court, you can hardly expect them suddenly to pluck the courage to make true cuts. The VVD fears that the CDA might depict the Liberals as an austerity club. The Chrisitan Democrats would then be able to portray themselves as a club that wants to stimulate the economy. That was the gist of the discussion between Nijpels and De Vries last week.

Question: Will the CDA and the VVD be able to continue this role playing in the months ahead? Minister Ruding stated last week that at least 10 billion guilders would have to be trimmed in 1984.

Den Uyl: It's not role playing. It's a survival strategy for both parties. Nijpels made one major mistake in his preparations. He said that he had no use for a talk with PvdA spokesman Van Kemenade. That sounded very confident. As it happened, the PvdA had picked up some votes on 8 September, after its debacle in the national elections. Nijpels would have strengthened his position vis-a-vis the CDA if he had talked with us. At the same time, he would have cleared the way for further talks in the PvdA.

Question: Further talks in the PvdA?

Den Uyl: Our program has always been closer to that of the CDA. But the appearance of many predominately young people in the VVD who choose a no-nonsense political approach to national problems is attractive to us as well. You can again hear people in the PvdA voicing the opinion, based partly on experiences in city councils and provincial governments, that it's possible to make very good working agreements with the Liberals. I hear such comments more and more often. So, there's another factor to be taken into account.

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EANES REPORTEDLY PLEASED WITH PS-PSD COALITION

Lisbon A TARDE in Portuguese 1 Jun 83 p 11

[Editorial: "Not Enough Room in This Small Country"]

[Excerpts] On 5 July 1979 in Lisbon, the PSD [Social Democratic Party], the CDS [Social Democratic Center Party], and the PPM [Popular Monarchist Party] signed the agreement establishing the AD [Democratic Alliance]. Francisco Sa Carneiro, Diogo Freitas do Amaral, and Goncalo Ribeiro Teles promised, on behalf of the parties they headed, to try to give the country what many people wanted: governmental stability through political agreement involving a majority, a government, and a president and an enriching development for Portugal and the Portuguese that would be possible only by removing the constitutional, legal, and material restraints that were continuing to hold this nation down.

On 6 July 1979, General Ramalho Eanes, president of the republic, called Francisco Sa Carneiro and Mario Soares to Belem Palace separately and told them (note that he did this on the day following the signing of the agreement setting up the AD) that the solution he considered ideal for this country would be an agreement between the PSD and the PS. For the first time since his election, the chief of this state--the president of this republic--was revealing the secret of his political preferences. It had been necessary to wait 3 years, go through five governments, and listen to who knows how many presidential speeches (although there were at least two to destroy governments in office and five to inaugurate new ones). And never, under any circumstances, had the president disclosed the secret of Belem Palace.

It is true that on a few occasions, he had talked about the need to build "socialist democracy," but not much offense was taken at that, since it was the fashion at the time to "stuff one's mouth" with socialism.

With every speech that the president made, great efforts were made to find a period, comma, or exclamation point that would allow one to say: "Look, the president likes the CDS best," or "he is leaning toward the PSD," or "he really belongs to the PS."

Nothing! In that period, only one thing was certain: the president was against the Communist Party, since he had even participated in the events of 25 November at the side of Jaime Neves!

But to sum up and conclude, the fact is that no one was able to take an oath as to which party the general was voting for or what kind of government he was dreaming of--not even when there had been three presidential governments: those of Nobre da Costa, Mota Pinto, and Lurdes Pintassilgo.

Then came 6 July 1979, and the secret of over 1,001 nights was deciphered: the country learned which government its president preferred.

But in the elections of 2 December 1979 and 5 October 1980, the citizens of this country preferred the stand taken by Sa Carneiro and Freitas do Amaral and gave an absolute majority to the coalition that displeased the president. Then the president was reelected, although during the first 2 years of his new term of office, he had to continue to tolerate the said Democratic Alliance.

But finally, the president of the republic must be elated: he has waited 7 years and has had to coexist with eight governments, and naturally, he was never able to support them because none of them was what he considered appropriate in view of national realities. But now, yes--there is going to be a PS-PED government.

What happiness there must be in Belem Palace! And still there are people showing amazement at the profusion of interviews with foreign newspapers. The explanation must be that the happiness is so great that there is not room for it all in this small country. Is there anyone who does not understand that?

11798

CSO: 3542/142

PCP INTRODUCES LEGISLATION IN NEW ASSEMBLY

Bills Listed

Lisbon AVANTE! in Portuguese 2 Jun 83 p 3

[Excerpts] The Assembly of the Republic met last Tuesday for the first time since the elections of 25 April, thus opening the new--and third--legislature. It had been a long wait, and the PCP criticized the delay opportunely, placing responsibility for the delay in the start of parliamentary work on the parties preparing to form the majority. The first meeting by the deputies, among whom many new faces were noted--especially on the PS [Socialist Party] and PSD [Social Democratic Party] benches--did not take place in a festive atmosphere.

There was no reason why it should. Little has changed despite the defeat of the previous government coalition, since preparations are underway to place in government the party most responsible for the policy condemned at the ballot box. However, the courtship and preparations for marriage between the PS and the PSD are continuing in the wings. It is as though, ashamed, they were unable to show their affection in public.

But the session would not have accomplished anything worth reporting, or very little (it was a session that got entirely through its agenda, a very rare thing), if a set of bills authored by the Portuguese Communist Party had not been introduced. Their presentation was announced late in the morning and confirmed by the speaker at the end.

Against the background of sickly smiles from the PS and the PSD--what kind of legislation are they preparing on the same subjects?--the list of the first bills to be introduced in this legislature was read out. As was reported in a note to the press, the bills represent "a series of proposals aimed at defending the workers, agrarian reform, the just demands of the inhabitants in municipal matters, and women's rights." They are also aimed at "providing a response to the problems afflicting vast sectors of Portuguese society in a very special way."

Here they are (with their respective numbers):

1/3: Bill to abolish wage ceilings.

2/3: Bill to repeal current legislation governing installment contracts.

3/3: Bill providing measures for putting an end to legislation that has been used as the basis for robbing the UCP's [collective production units] and cooperatives of their right to extract and market cork.

4/3: Bill to establish the Municipality of Vizela.

5/3: Bill to protect mothers.

6/3: Bill on family planning and sex education.

7/3: Bill concerning legalization of the voluntary termination of pregnancy.

The note distributed to reporters by the PCP's parliamentary group says: "The fact that these legislative bills are being introduced in the very first session of the Third Legislature of the Assembly of the Republic is due in part to the seriousness and urgency of the situations with which they are intended to deal and, in part, to the commitments made by the PCP throughout the election campaign."

PCP's Disruptive Intentions Viewed

Lisbon DIARIO DE NOTICIAS in Portuguese 2 Jun 83 p 2

[Editorial: "Divide and Rule"]

[Text] If there were any doubts about the Communist Party's strategy in response to the PS-PSD alliance, the first legislative session has probably dispelled them completely. The introduction of seven bills on the very day when Parliament opened its doors is not intended solely to impress public opinion and prove to the other deputies that the Communist group is the "hardest working" and most combative. What it amounts to is the second declaration of war, so to speak, on the Socialist and Social Democratic majority, if we take as the first warning Alvaro Cunhal's speech in Porto, when he guaranteed on behalf of the CGTP [General Federation of Portuguese Workers] that there would be no social pact.

Much more important than the volume of legislative proposals from the PCP's parliamentary group, however, is the criterion used in selecting topics for attention by the Communists. While some of them seem intended primarily to satisfy the party's clientele in specific areas such as labor and the agrarian reform zone--this applies to the bills on wage ceilings, installment contracts, and repeal of the cork law--others, which are also the most controversial, are intended above all to test the unity of the Socialist and Social Democratic parliamentary groups. This applies to the legalization of abortion and establishment of the Municipality of Vizela.

Judging from still recent experience, the reintroduction of the bill on the voluntary termination of pregnancy will not fail to cause trouble among the ranks of the new majority. It is enough to recall that the bill introduced on that subject by the PCP in the last legislature was approved by the PS but rejected by the PSD, which was then a member of the AD [Democratic Alliance]. The

result was deep dissension among the Social Democratic deputies, and only party discipline imposed by the leaders prevented a loss of votes. Even if the PS introduces its own bill in an attempt to get around the issue that has now been brought up again by the Communists, how will the PSD parliamentary group react?

More than anything else, the case of Vizela represents the appropriation of an initiative taken earlier by the PPM [Popular Monarchist Party]. In this way, the Communist deputies are assuming the position of less legitimate heirs to a cause supported by the Monarchists, who no longer have a voice on the floor of the Assembly of the Republic. But even here, by claiming to support Vizela's yearnings, the PCP is trying to test the unity of the PSD and the PS, since they took opposing stands during the vote on the PPM's bill to establish the Municipality of Vizela.

Through the bills it has introduced in Parliament, the PCP is demonstrating that it will not grant a moment of truce and that it will use every instrument at its disposal to create grounds for friction between the two parties supporting the government now in formation, exploit all their contradictions and then flaunt any possible inconsistencies with attitudes adopted by each of them in the past. Divide and rule--or at least collect the maximum dividends--is, from all indications, the motto of the Communist Party. It is a challenge which the PS and the PSD were probably already expecting, but it is becoming increasingly obvious. How will the majority behave in response to the successive shock tests to which it is going to be subjected?

11798

CSO: 3542/142

CDS INSIDERS REPORTEDLY UPSET AT 'SWING TO RIGHT'

Lisbon DIARIO DE LISBOA in Portuguese 1 Jun 83 p 5

[Article by Manuel Anta]

[Excerpts] "They have transformed a centrist and Christian democratic party into a CDS [Social Democratic Center Party] with a strong tinge of liberalism and addiction to the past." That accusation, uttered in various tones by the opposition inside the CDS, suggests a question: "Who are 'they'?" The answer is not long in coming: "the Adriano Moreira wing and the Machiavellian and rightwing Leninist Coimbra Group, which controls poor Lucas Pires and will not hesitate to destroy him when he is no longer useful."

"If the CDS continues like this, it will die." DIARIO DE LISBOA heard that statement innumerable times during its "trip" through the opposition within the centrist party. That trip took several weeks, and to be complete, it also considered the current leadership of the CDS.

Basically, our reporter was able throughout those weeks to review all the feelings within the party established by Diogo Freitas do Amaral. He listened to the "Pires men," made a leap to the supporters of Pinho and Adriano, and went to see the supporters of Freitas do Amaral and Barbosa. Along the way, he did not neglect those who "no longer know where they are."

Whether for the record or off the record, most of those we contacted did not shy away from talking. But there were exceptions.

Lucas Pires could not find an "opening" in his appointment book for seeing our reporter.

Gomes de Pinho, one of the chief targets of the opposition's criticism, also found ways to avoid talking.

Adelino's Death

"The party has gone from being Christian democratic to being liberal and addicted to the past." Uttered with conviction, that accusation was expressed by several opposition sectors within the CDS. The opposition feels that "the party has made a real swing to the right." Those named as being chiefly responsible

for that shift are Adriano Moreira, Lucas Pires, and Gomes de Pinho, the leader of the "Machiavellian and rightwing Leninist Coimbra Group."

The only thing is that according to people well acquainted with the history of the CDS, "that shift dates back farther, although we never thought it would go as far as it has."

In the opinion of one of the CDS "traditionalists" who is currently taking an "opposition cure," everything began when the party was joined by the "intellectual rightwing": Lucas Pires, Gomes de Pinho, and Azevedo Soares, among others. "After that," he recalls, "the admission of Adriano Moreira and of Rui Oliveira as secretary general also contributed to some degree to the current situation."

Our source, who like many others preferred to speak "off the record," feels that the "final blow"--the event that did the most to help push the CDS to the right--was the death of Adelino Amaro da Costa and the departure of Freitas do Amaral. He says: "Without the former, the party lost its Christian democratic perspective. And without the latter, everything grew worse."

And the same individual says that there are "well-known contradictions" between the "liberal line, which is currently being followed by the party leadership," and the bylaws of the European Union of Christian Democrats (UEDC).

Another traditionalist--one of the big losers at the latest CDS congress--agrees with the above opinion. He also feels that "it would be a good idea to alert the UEDC" to the situation being experienced in the CDS.

Discussing the CDS's "swing to the right," he grants that "Portuguese society thinks about the Right many times, but it likes to vote for the moderate Left." He then concludes that "in view of the results obtained by the CDS in the last election campaign, it can be seen that the voters did not like the markedly rightwing talk they heard from the party's leaders."

Another former party leader who is also a traditionalist goes so far as to accuse Adriano Moreira of having "exhumed a past that we thought had been buried for good." Foreseeing no "brilliant future" for the CDS, he also criticizes the "young Turks" (the Coimbra Group) for wanting to "assassinate" the man "to whom they owe everything": Freitas do Amaral.

He says with conviction: "Those boys--typical rightwing Leninists--think they will be able to destroy the work we have created. They are mistaken. The time will come when the CDS will return to its path--that of being a Christian democratic party: a party in the center."

Admitting that "if that bet is wrong, the CDS is in danger of disappearing," another source--also a former top leader and a centrist--supports the idea that Adriano Moreira, along with the Coimbra Group (which he says consists of Gomes de Pinho, Miguel Seabra, Lucas Pires, Azevedo Soares, and others), is the man chiefly responsible for the CDS's "swing to the right."

Women and Soares

He says with an ironic smile: "We saw what happened. Multitudes did not follow him as he thought they would."

And the reasons for that attitude on the part of the voters are gone over with a fine-tooth comb: "Saying 'I was minister of overseas territories' was asking for trouble in a country where a majority of the women vote for Mario Soares because it was he who rescued their sons from the war."

According to our source, another mistake in Adriano Moreira's analysis was that of "thinking that the Right is more numerous than it really is."

Lastly, and after emphasizing that Adriano Moreira "does not appeal to the younger generation," he aimed a poison dart at the Coimbra Group.

"Adriano's converts are much more loyal to him than Lucas Pires' are. Being Machiavellian and rightwing Leninists, they will not hesitate to destroy Pires when the time is right. Poor nice guy Lucas Pires had better be careful."

11798

CSO: 3542/142

SDP EXECUTIVE COMMITTEE CONFIRMS SUPPORT FOR NATO

Copenhagen AKTUELT in Danish 11 Jun 83 p 16

[Article: "Denmark's Defense Is Based on NATO"]

[Excerpt] Although there are surprising appraisals of the historical significance of NATO in material to be debated that was presented at the meeting of the executive committee of the Social Democratic Party last weekend at Svendborg, it is made clear that Danish defense is based on Danish membership in NATO.

Danish Neutrality

A number of possibilities having to do with security policy, from the abortive idea of a Nordic defensive confederation through neutrality and a European defense pact to nonviolent defense, are gone into in the material in question.

On the idea of neutrality, it is stated that unilateral Danish withdrawal from NATO would cause a number of steps to be taken by others whose actual extent should not be overlooked. An armed, neutral Denmark "would have to contribute considerably more to a more energetically developed defense program. It is difficult to evaluate the consequences for detente in Europe of a unilateral Danish withdrawal from NATO accurately, but there certainly is reason to fear that it would complicate the disarmament negotiations by adding a new destabilizing element to them," it says, and it is mentioned, in that connection, that the British Labor Party went to the polls supporting unilateral nuclear disarmament but clearly pointing out that that was not intended to mean British withdrawal from NATO.

9266

CSO: 3613/136

LEFTIST INDEPENDENT PAPER DISCUSSES TIES TO NATO

Copenhagen INFORMATION in Danish 13 Jun 83 p 10

[Editorial: "Pressure on Denmark"]

[Text] That the population's support for Danish membership in the Western defensive alliance is greater than ever is indicated by an opinion poll in which the BERLINGSKE TIDENDE perceived a message to the Social Democratic Party's opponents of missiles on Sunday. Naturally, it immediately produces a curious reaction when NATO is criticized more severely than ever just at the time when that alliance's popularity curve reaches its peak. But to conclude from that that opponents of the missile project do not have the backing of the bulk of the public is to give expression to a fundamental misunderstanding.

Actually, several opinion polls show that there is such support, but after 3 decades of membership in NATO, the Danes have become so mature that they can criticize the alliance's concrete actions while perceiving where we actually belong at one and the same time.

Denmark's participation in NATO has not been a controversial question for many years. The extreme left wing has discarded the foolish slogans of earlier times. "NATO is turned against you--turn against NATO" is no longer something that mars bare expanses of wall. Gert Petersen leads a party that theoretically is permanently against the alliance, but he openly admits that unilateral withdrawal from the Atlantic Pact by Denmark would not increase this country's security.

The explanation of this is not simply the fact that the left wing has given up a hopeless struggle. If one examines the old agitation material, it becomes clear that the conditions for opposition are not there any longer because the alliance has changed. In 1969, the Left Socialist Party published an article that was used in an anti-NATO campaign. In it, Preben Wilhjelm asserted that "whatever the original purpose of the blocs may have been, each of them, at present, is more an instrument for ensuring the respective super-power's dominance over its smaller allies than an instrument for joint security against the opposite bloc." The author, Erik Knudsen, can be quoted from the same article, issuing the following challenge: "If we are an occupied country, let us look the fact in the face and refuse to gloss over our status. "

At that time, the campaign was a peace movement. And it also was based on dissociating oneself morally from an alliance in which, as INFORMATION's editor-in-chief, Borge Outze, wrote, "millions of people feel themselves to be in very bad company." But after 1969 Denmark took the liberty of criticizing the Vietnam War, and the dictatorships in Greece and Portugal are gone. Consideration for the alliance's spirit of solidarity no longer prevents criticism of rearmament, the dictatorship in Turkey and the United States' detrimental economic policies. Yes, even the Danish defense budget does not follow the alliance's dictates.

However, Denmark's experiences at the last meeting of ministers show that freedom is not necessarily a permanent condition. Secretary General Joseph Luns clearly said that we had gone too far in expressing ourselves freely. The message was that since we do not have nuclear weapons, we should not interfere. And yet we will be the victims if the alliance's crazy nuclear policy results in a catastrophe. Great Britain hinted that continued criticism can have consequences where the apportionment of reinforcements is concerned. If one is to believe accounts from the closed meetings, the mild Danish criticism of the missile project aroused a great deal of resentment.

"Clear detrimental" was the description given by both Luns and the American Secretary of State. We only barely avoided a reprimand in the communique itself. Denmark's policy on the matter was reduced to a meaningless sentence which states that the Folketing has adopted an agenda.

Danish participation in NATO and the population's support of it are based, among other things, on the fact that we have influence through the alliance. The assumption that that influence exists loses force if the influence simply becomes something that is theoretical, either because it is never used or because efforts to make use of it are met with heavy-handed methods.

Moreover, we are in a period where the conflict between Danish security interests and ideals and the alliance's policies can become pronounced. Nuclear rearmament is only one of many points on which there is conflict. If demonstrations for peace are put down with a heavy hand in West Germany and Great Britain, many people will doubtless feel they are in bad company again. The dictatorship in Turkey is something that has been brought up in other forums up until now, but if progress is not made soon, we certainly will see efforts made to express criticism in NATO. It is hypocrisy for Turkey to be one of the cosigners of the communique put out by the meeting of foreign ministers which solemnly declares that "they will defend the freedom and justice on which their democracies are built."

The alliance's relationship with the Third World can become a very serious matter. The foreign ministers stress the importance of assistance to developing countries, which can promote "stability and the common good," so that "peaceful, friendly international relations" can be developed. The fact is that assistance to developing countries is declining and is ridiculously inadequate. Thus, after the statement of intention that is unworthy of belief in the communique come the more tangible threats to the effect that they support military intervention against "developments outside of the area covered by the treaty which can affect their common interests as members of the alliance."

For the time being, the situation in Afghanistan has neutralized efforts to start a campaign against the conduct of the U.S. in Central America. But if the left wing here at home and abroad gets a movement going which clearly opposes all military interventions in the Third World, NATO can expect to receive severe criticism.

Therefore, membership in the Western alliance is not a subject that can be expected to enjoy a closed season for all time to come. Today there is no realistic alternative for Denmark where security policy is concerned. But if the association becomes morally burdensome again and no movement can be perceived in the efforts to obtain a relaxation of tension, it is possible that some other alternatives will be more effective and more attractive.

9266

CSO: 3613/136

PEACE MOVEMENT PARTLY RESPONSIBLE FOR ARMS FIRM'S TROUBLES

Copenhagen BERLINGSKE AFTEN in Danish 10 Jun 83 p 5

[Article by Ojvind Kyro: "Weapons Manufacturer With His Back to the Wall"]

[Text] The favorite victim of the Danish peace movements, weapons manufacturer Jorgen Hoyer, had to face up to seeing large parts of his concern split up and sold to other people this week. He himself is on the brink of bankruptcy. Nevertheless, he is trying to come back. The "Weekendavisen" [Weekend Paper] section of this paper tells the story of Jorgen Hoyer here.

Monday, 1 March 1982, was not a random day in Jorgen Hoyer's life. At 1400 hours, he received a message telling him to go to the conference room at his establishment, Jorgen Hoyer, Inc. There he--the sole owner of the share capital and the administrative director of the company--was informed by the assembled board of directors that he was fired, effective as of that moment.

For 35 years Jorgen Hoyer has worked to make his firm one of the most advanced in the special market that deals in powder, bullets, military aircraft and other harmful things for military uses. When he was dismissed from his enterprise, production was keeping a good 300 people busy at the factory at Sosum in North Zealand and the budget for the year showed a record turnover of 110 million kroner.

Today Jorgen Hoyer is trying to get a new enterprise started in that vicinity. His home, valued at 8 million kroner and complete with its own airstrip, has been seized and so has his automobile. The bank has sequestered his shares, and, last but not least, both the surrogate court and the Eastern High Court have declared him bankrupt and have demanded that 30 million kroner be paid off--money for which he himself had gone surety.

Since that 1 March, things have also gone downhill for his old firm. One hundred and seventy-five employees have lost their jobs, and on Wednesday a large part of the production apparatus--specifically, the part that produces ammunition and fuses--is to go under the hammer. Auctioning off property can cause problems if the buyer is a foreigner. If that is the case, the deal has to be approved by the Ministry of Justice because selling weapons factories to foreigners without special permission is prohibited.

Banana Republic Methods

It is not the peace movements that have brought misery to the most experienced weapons manufacturer in Denmark. In Jorgen Hoyer's opinion, it is incompetence.

"When the concern had invested in a new production apparatus to get an order for the F-16 military aircraft of considerable size, the Export Credit Board and the bank insisted on having a majority on the board of directors to be able to extend credit at all," Jorgen Hoyer says. "Those men dictated some completely preposterous conditions to the company, and it is a wonder that we succeeded in carrying out the F-16 program in spite of them. They simply do not know anything about government contracts. They dismissed me because they thought the firm was insolvent. The board of directors also tinkered with the balance sheet for 1981, so that it showed a deficit of a little less than 11 million kroner because they entered 'jobs in progress for future posting' as inventory."

That is the evaluation that formed the basis for the two cases that were lost by Jorgen Hoyer.

"Methods were used that are only known in Central American banana republics," Hoyer says. "The state has ruined me as a reward for an F-16 program that was carried out well by inflicting an incapable and incompetent board of directors on me and finally confiscating the factory. A good work place went into total dissolution. More than half of the employees have lost their jobs and all the customers have watched developments in the concern with amazement and drawn their own conclusions, and consequently no orders of significance have come in since I was dismissed." "Weekendavisen" has vainly tried to obtain a comment on that statement from the director of the Frederiksborg Bank.

Case Mishandled

In an attempt to save the enterprise, they tried to involve the trade unions, and specifically the Danish Metalworkers Union, in a project. One of the arguments that were used was the promising outlook for a mine system for use against submarines and surface ships, called the SGM 80, which Jorgen Hoyer had developed since August 1980. The mines were a joint Danish and West German project and were expected to make sure that a large part of the concern's productive capacity would be occupied. The matter was brought up in Cooperative Financing Fund and Wagearners' High Cost of Living Fund discussions in March, but the answer was no. "Where the Cooperative Joint Fund was concerned, there was a unanimous decision to have nothing to do with the matter because of economic and, in some cases, ideological misgivings," Mads Ring, the fund's secretary, says.

It was primarily fierce resistance by the Semiskilled Workers Union, which also manages the larger part of the fund's invested capital, amounting to 28 million kroner in all, which caused the outcome to be negative. "No matter how profitable the concern might have been, we nevertheless would have said no," says Ib Schelde, the deputy chairman of the SID [Semiskilled Workers Union]. "I could not imagine that the trade unions would lend their name to and put money into a militarization of industry," he said.

After Jorgen Hoyer's dismissal, the new leadership divided the company in two. Thus, they are continuing the technically advanced F-16 production in Danish Aerotechnology Systems, Inc., while ammunition production is being discontinued.

Two months ago, the firm was sold to a standard-house firm called Flexplan Holding, Inc., and its new director's name is Dan Folke Bennike, who was obtained from the LK-NES concern. He says that, for the rest of the year, they will "maintain production with F-16 orders, but then things will begin to pinch. It is hard to get new orders, but we are in the process of getting started. We are concentrating on air and space travel orders, on mechanical parts for the commercial computer market and on the robot industry in the late 1980s."

But Jorgen Hoyer has not given up hope of getting his business back again, in spite of its sale to Flexplan. Hoyer is trying to get permission to take the case before the Supreme Court because "Both the case and the man have been mishandled by the legal authorities," as he lawyer, Dr J. Guenther Petersen, an advocate of the Supreme Court, says.

Sold during the Vietnam War

Jorgen Hoyer has been the peace movements' favorite aversion for many years because of his extensive production and exporting of weapons.

He started as a subcontractor to the Danish arsenal of weapons and ammunition and in 1953 he got a big order from the American Arms Aid Program to the NATO countries of Europe. The result of that was that he gained a solid position as a specialist in American-designed ammunition, and particularly in fuses. The importing countries were NATO members and neutral European countries such as Austria and Yugoslavia. Furthermore, Hoyer delivered ammunition components (fuses) to the shah of Iran, who was rearming for all he was worth from the middle of the 1960s until a couple of years before the Islamic Revolution.

In 1967, the Greater Copenhagen Vietnam Committee revealed that Jorgen Hoyer was manufacturing fuse parts and exporting them to the U.S. At that time, the U.S. was waging war against Vietnam, and, in conformity with Danish practice, weapons or parts for weapons could not be sold to belligerent countries.

"They were components for fuses that were produced in accordance with American designs," Jorgen Hoyer says. "They had become obsolete and were to be brought up to date. Therefore, I went to a prominent Social Democratic cabinet minister and asked whether they would apply pressure so that I could get designs for the new parts. The minister answered that if he said yes, that would bring about internal problems in the left wing (editor's note: that was under the 'red cabinet,' when the Social Democratic Party was cooperating closely with the SF [Socialist People's Party]), and if he said no, that would bring about external problems with our partner in NATO, the United States. But his solution to the problem was that since only parts, and not completed ammunition, were involved, there could be nothing wrong with selling them to the U.S. as metal parts."

And that is what was done. Jorgen Hoyer got his new designs and exported large consignments to the United States.

Then Hanne Reintoft, who at that time was a member of the Folketing representing the SF, brought up the matter in the Folketing, and the police were given the assignment of investigating the affair. Jorgen Hoyer was taken to court and was found guilty of violating the weapons law in a strange trial, but he escaped punishment because the judge remembered the "law's unclear wording."

Another consequence of that verdict was that the government asked the Export Credit Board to hold up all credits to Jorgen Hoyer. That brought the firm into a serious crisis, but Jorgen Hoyer saved something out of the wreckage by moving the factory to the Netherlands.

He also encountered resistance there. Left-oriented and Christian groups demonstrated against the factory, and 2 years later (in 1970) the local town council had to set aside its decision, and so withdrew its offer of an industrial site. That decision called forth a service of joy and thanksgiving in the town of Ubach, near Worms.

A few years later, Jorgen Hoyer was producing in Denmark again, and he expanded constantly through the 1970s and participated in the production of the F-16 military aircraft as one of the 10 Danish firms involved in that project. Hoyer got a 150 million kroner order on his bid to manufacture leading-edge flaps. Many high-ranking officers have expressed great admiration for Hoyer's professional competence to "Weekendavisen."

In spite of the crash, Jorgen Hoyer is trying again. On Wednesday, he was at a meeting with the new director of his old factory to hear the conditions under which the machinery for manufacturing ammunition will be sold. The machinery is to be sold on Wednesday.

9200

CSO: 3011/130

POEPPPEL ON ATTITUDE TOWARD ARMY, CONSCIENTIOUS OBJECTORS

Herford EUROPÄISCHE WEHRKUNDE in German May 83 pp 218-222

/Article by Lieut-Gen Hans Poeppel (ret): "Defense Readiness--Whither, Whereto?"

/Excerpts/ We can hardly believe our eyes: An August 1982 poll by the EMNID Institute yielded an amazing result:

85 percent believe that the Bundeswehr makes peace more secure

81 percent state that the same applies to the U.S. forces, and

91 percent favor staying in NATO.

Where are the pinpricks and doubts due to which we Germans have lost credibility abroad too? The poll results do, however, assume a more dubious aspect when we differentiate them by age groups. The critical group of the 16-24 year olds produced the following information:

25 percent: The threat of the Warsaw Pact is great

54 percent: Conscientious objectors have a point

44 percent: In case of a manpower shortage, the Bundeswehr should be cut

74 percent: In some circumstances I might participate in the actions of the peace movement.

These statements dangerously ignore the Warsaw Pact's superiority and display a great deal of willingness to back measures that would weaken our own defense preparedness. For young people so to underestimate the real threat to peace and, consequently, their need for external security to be so slight--this is not something we can ascribe primarily to the exaggerated expectations aroused by detente in the past decade. Instead we must assign responsibility to the influences affecting this age group especially, in other words civics instruction in the schools.

The results of the poll have yet more to teach us: The remarkable overall approval of the defense of our external security declines rapidly as soon as the question involves the personal or material commitment of the individual. This phenomenon--very human indeed--is particularly noticeable in the FRG. Many are inclined to delegate all defense problems to the Bundeswehr and NATO, confining their own contribution to a mere acknowledgment.

The individual commitment to defense is not dependent only on a threat perceived personally--such as in the case of Israel--, it is also and definitely determined by the politico-moral authority behind the implementation of the conscription law. Here at home we had 40,000 conscientious objectors in 1981, about 25 percent of the conscripts called up; conscientious objection is negligible in Italy, France and Spain. It is to be hoped, therefore, that the revision of our legal provisions and implementing decrees will result in equity regarding military service here also. This is up to the legislators. On the other hand, citizens who are interested in and concerned about defense have a duty to help in their sphere, so that understanding for the necessity of general military service may be strengthened and stabilized.

Citizens have always been torn between their individual claim to freedom and the need to subordinate themselves willingly to the claims of the community. Excessively libertarian demands usually end in unlimited self-realization and exaggerated competition, ultimately in lawless competitiveness without any compromise. This attitude lacks acceptable prospects just as does the other extreme: Absolute obedience to the claims of society with collectivist solutions and total personal subjection. In our densely settled regions, life can carry on only between these two extremes, in the synthesis of the principles of personal freedom and social order. Only then will we obtain balanced and liberal solutions and pursue the political debate in free partnership, human dignity and constitutional order.

Consequently, anyone wishing to contribute to a healthy development must declare war on unfettered personal freedom and selfishness just as much as on the exaggerated regimentation of life by government agencies. To be found within this force-field also is the readiness to contribute whatever is necessary for our external defense.

Conscientious Objection in Our Age

Often it originates in historical roots. The following nine among the many motives of the opponents of conscription may be considered predominant. As far as I know there are no scholarly studies able to provide us with information about their respective proportions.

Religious scruples are the ones most likely to elicit our respect. These objectors might accept deterrence if this did not also involve readiness to defense. Far more incredulosity must be opposed to those who reject any service to the community--civilian service as well.

Another group considers the possible consequences of war absolutely unacceptable--especially with a view to the experiences of World War II--even if the free development of the individual and the community can be safeguarded only by this means.

A frighteningly large proportion of objectors to military service arises from a lack of knowledge of the threat to freedom and peace. That is very clearly shown in the answers to the polls. Demands such as "hospitals instead of barracks" are due to this lack of knowledge.

Another group is motivated by the fear of irritating a potential enemy by defense efforts or of attracting fire by military installations. Those who unjustifiably lay claim to exemption from conscription, produce lifelong prejudices and transfer their hidden grudges to others.

A small group might be the result of military service inequities that tend to be felt particularly onerous by the individual.

Unfortunately our young state did little to foster commitment to the community as an indispensable element of social solidarity. Claims without duties toward the commonality are therefore the basis of innumerable objections. Immoderate selfishness is displayed in the assertion "I want to live my life, the community is none of my business!"

We also have the clever shirkers who, for the sake of convenience and to avoid the loss of time in pursuit of their careers, exploit legal loopholes and leave conscript service to the "idiots" or to volunteers. Such inglorious egotism is far more frequent among intellectuals than among the mass of our young fellow citizens.

Even more infuriating are journalists or cabaret artists who draw material profit from pacifism.

Finally there are quite a few people who consider themselves too sensitive or superior to inflict a lengthy sojourn in the rough and ready world of the soldier on their actual or imagined personality structure; frequently they also want simply to shun cohabitation with fellow citizens from "humbler" backgrounds. Unfortunately the seamy aspects of the barrack room as disparagingly caricatured have provided many pretexts for such an attitude.

As we showed initially, our population is by no means overwhelmingly hostile to the military. However, it is surprisingly suggestible to external influences. Such influences aim at the natural wish for peace, the perils of nuclear destruction or the possibilities of a German fratricidal war. At the same time the conscious promotion of limitless selfishness, the glorification of the deserter ethic (that we encounter in Tucholsky and Andersch), the deliberate denigration of the standing of the soldier, his service and tradition, the constant and exaggerated warning against the influence of the military, the one-sided dissemination of reader/listener opinions--they all have an unmistakeably seditious nature. Finally we must also include liberalism carried to the extreme, such as the statement by the Great Herder (1953): "Resistance to conscription is in itself a healthy sign of free civic consciousness."

While the interested parties behind such influences usually remain in the background, we meet plenty carriers of their interests or propaganda in schools and colleges, churches, books, the media, the stage, cabarets, lectures, leaflets or KDV /conscientious objection/ counselors up to and including paid agents. "Instructions" reveal how to shirk conscription, how to handle sabotage, and that it is also possible to serve as a conscript to deliberately carry on sedition and, in some cases, "turn around the rifles."

Enemy propaganda and action are by no means afraid of the light of day, and it is indisputable that the operations of the seditionaries are far more efficient than large-scale demonstrations.

At the present time the peace movement represents a diffuse reservoir of wide ranging group interests. In issue No 2/1982, U. Probst offered us a broad analysis, and I am here referring to its central arguments:

This movement is motivated by the repression of pacifism in the Hitler era and the abortive struggle against "remilitarization" in the 1950's. It received a great deal of additional impetus by detente. Probst distinguishes the following groups in the movement:

Those who contribute to peace by normal conscript service. The leftists with strong humanitarian impulses, who protested the arms modernization decision by way of the 1980 Krefeld Appeal, because it allegedly "destabilized the equilibrium."

Pacifists want to settle conflicts without using violence. (Gandhi, Jehova's Witnesses, Martin Luther King, peace ministers, very serious radical objectors)

Peace scholars provide instructions for action designed to settle conflicts and accuse aggressive ideologies.

For the Catholic Church the doctrine of the just war represents a moral-theological basis. In 1980 its central committee pronounced the balance of powers to be the only tolerable basis for peace. Internal disputes with spontaneous groups and the antinuclear movement.

The Protestant Church has clung to the Heidelberg theses since 1959. According to these, a system of peace must make violence unnecessary. The Church, however, has great difficulties in coping with disputes in the rank and file and setting intermediate goals.

The Alternatives include drop-outs, Greens, environmentalists and the antinuclear faction, all striving for a life close to nature and low in hazards.

A large proportion, though, defies exact classification; they represent a diffuse pessimism that may be more dangerous than all utopias (see SHELL study). According to the SUEDEDEUTSCHE ZEITUNG of 9 December 198, the Federal Office for the Protection of the Constitution described the orthodox communists as the largest and most active group in the peace movement.

In view of the situation in our country, the attitude of the German Labor Union Federation certainly assumes decisive importance outside the political parties. In his address to the Command Academy of the Bundeswehr on 30 June 1976, DGB chairman Hans Oskar Vetter first described the reasons of organized labor's past reserve or hostility and subsequently summed up as follows with reference to the present time: "There is no longer any confrontation between organized labor and the military. If here and there misunderstandings still arise, they are due to a lack of reciprocal information, not to hostility."

However, commanders and juvenile officers report that this optimistic forecast even now reflects no more than the official attitude of the DGB leaders. Prejudiced reserve still tends to prevail in the rank and file of the organization. The constitutional responsibility and well appreciated self-interest of the DGB appear to make this incomprehensible. One can hardly imagine defense forces that are more democratically controlled and more openly structured by means of conscription. Unless the DGB explicitly throws its strong political weight into the scale to promote the requirements of compulsory defense service, it may cause harm to all of us and, therefore, to itself also.

We considered the attitudes of the churches in general when dealing with the peace movement. As regards the three Bundestag parties, we may basically assume a consensus on necessary defense efforts. Their attitudes are only refurbished just before elections to attract the voters.

The SHELL study documents the fact that our youth is largely disinterested in politics, tends to be preoccupied with individual needs and desires, is ready to perform for its own benefit, not really ready to consider other arguments, lacks logical conceptual structures, mistrusts the exercise of authority and is most reluctant to assume responsibilities. It is not surprising therefore that the incidence of conscientious objectors continues to rise to the extent allowed by the laws of our state, that actually encourage selfishness. (In 1976, 73 percent of the 40,000 applications were admitted!) In the meantime applications have increased even further. A study by Kepplinger² arrives at the conclusion that the long years of favorable mention in the presse have caused KDV to be considered "socially desirable rather than merely legally admissible behavior." On the other hand, 62 percent of men agree with conscription. Still, such replies to polls must be passed through the filter of personal commitment.

When we pursue the trends of recent years, it appears that the psychological consequences of the 1945 collapse were repressed by shock and only now increasingly paralyze our actions. At the same time the paralysis of the generation now holding responsibility weighs more heavily. The consequences of the period of evil and its collapse, declining awareness of history and national colorlessness very likely do not lend themselves to being "coped" with by the "reprocessing" of the past but only by the genuine ability to handle the present. Only then will we be able to restore substance to such basic values as freedom, legal order and solidarity with the community.

We may filter out from the August 1982 EMNID poll a description of the current status of the readiness for defense. (Excerpt)

Total 26-24 Years

- 50 percent (72 percent) do not consider that the Soviet threat needs to be taken seriously
- 46 percent (-) consider NATO and the Warsaw Pact to be equally strong
- 81 percent (67 percent) desire U.S. forces to stay on
- 6 percent (13 percent) desire to withdraw from NATO
- 47 percent (43 percent) (1974 = 29) are interested in topics relating to the Bundeswehr

85 percent	(70 percent)	consider the Bundeswehr to make peace more secure
22 percent	(39 percent)	consider the emplacement of medium-range missiles an additional threat
42 percent	(25 percent)	consider the above a reinforcement of our security
52 percent	(-)	consider KDV to conceal private and selfish motives
85 percent	(66 percent)	have so far not participated in actions of the peace movement
39 percent	(74 percent)	might participate at some time in the future
7 percent	(-)	consider themselves pacifists
25 percent	(-)	sympathize with pacifism

Herdegen³ provides the following supplementary data:

60 percent	(-)	do not believe there will be a war in the foreseeable future
41 percent	(-)	felt threatened before Afghanistan
65 percent	(-)	felt threatened after Afghanistan
55 percent	(-)	believe that deterrence maintains peace.

Evaluation and Conclusions

Having ascertained the status and considered the analysis, let us now arrive at the conclusions that might help improve understanding for the concerns of external security. Where are the weak points, and how could they be removed?

The following must rank high as starting points for those who hold political responsibility:

- Concern for basic knowledge of defense matters so as to reduce fear. This means insisting on schools and colleges, especially teacher training institutions, carrying out their obligations. More than 90 percent of our social science books do not even mention the words Bundeswehr or conscription (Federal President Scheel at the Bundeswehr commander conference in Saarbruecken).
- Radical reduction in conscription inequities and the merely feigned objection for reasons of conscience by setting out conditions as in other Western countries.
- Emphatic encouragement of historical awareness and solidarity with the community.

The problem has shown itself to be so complex that we should not leave its settlement to central state activities alone. In addition to the "interested parties" no doubt many "interesting parties" among the readers of this review are already at work or at least ready to act in their fields for improved understanding. The following topics of such basic efforts emerge with priority status from the earlier analysis:

- To strengthen the feeling of confidence in the deterrent's warding off the danger of war (examples for its operation or lack)
- To demonstrate the Warsaw Pact threat in impressive and lucid representations

- To control the bewildering mass of aspects involved in present-day defense policy by lucid representation. Example: Medium range problems
- To emphasize the ranking of conscript service in our Constitution and conscious promotion of those who have completed their service
- To use frank discussion to remove unlawful refusal of conscript service from the fog of clever-popular infractions
- To note and describe the possibly abusive influence of our schools, colleges or media in the field of defense motivation (objection and contradiction).

The following new means and methods come to mind (in addition to traditional methods):

- Reinforcing the motivation
- Establishing strong points among the multipliers of defense political judgment
- The planned inclusion of distant regions
- The growing inclusion of young people by discussions led by speakers with opposing opinions
- Activation of contacts and discussions with the DGB
- Systematic attendance at appropriate events organized by third parties in order to explain opposing attitudes if necessary
- Emergence from the silent majority by frequent reader/listener letters to editorial boards.

Instead of a forecast, I will close by citing two persons who are particularly familiar to the readers of this review.

Ambassador (ret) D. Pauls: "The sole anchor of our security is the mental will to assert ourselves as free men. From it alone can we expect our self-confidence to grow in the organization of our future. It radiates the strongest warning against touching on our freedom and independence."

Major-General (ret) Dr Wagemann: "Only the observance of responsibility for the spirit of democracy also matches the dignity of the citizen."

FOOTNOTES

1. G.L. Binz: "Denial of Conscription," WEHRWISSENSCHAFTLICHE RUNDSCHAU, October 1956, supplement 4.
2. Hans M. Kepplinger: "The Demanding Minority," ZIVILDienst No 8/1976.

3. G. Herdegen: "Politische Meinung" [Political Opinion], 1981, p 193.
4. Rolf F. Pauls: "Rettet uns die Ruestungspolitik? Sicherheit am Ende Eines Unsicheren Jahrhunderts" [Will Rearmament Save Us? Security at the End of an Insecure Century], Zurich 1982.
5. Dr Eberhard Wagemann: "Democracy and Responsibility," lecture on 10 November 1981.

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11698

CSO: 3620/381

OFFICER EXAMINES DEFENSE BUDGETS, MATERIEL ACQUISITIONS

Helsinki HELSINGIN SANOMAT in Finnish 15 Jun 83 p 2

[Article by Jorma Juottonen: "Economic Burden of Defense Expenditures Modest"]

[Text] The author is working as chief of the military economic section of the General Staff. The section's duties include, among other things, the preparation of budgets for the defense forces. This article is primarily based on the state's account books, the national product statistics, and the reports of the parliamentary defense committees.

Finland's defense expenditures are among the lowest in Europe, only approximately 5 percent of the state's expenditures and approximately 1.5 percent of the gross national product. The corresponding proportions in the other Nordic countries are approximately double.

In the first two decades of our independence the situation was different. In the 1920's we used approximately 15 percent of the state's expenditures and approximately 3--4 percent of the gross national product for defense purposes. In the 1930's the proportion of the state's expenditures used for defense increased only slightly.

Immediately after the wars the defense forces had surplus materiel at their disposal so that procurement needs were small. At that time state funds were naturally directed toward objectives felt to be much more important. Also the situation had changed with respect to foreign policy. Defense expenditures at the end of the 1940's remained, for the most part, at a level commensurate with the maintenance of reduced troop strengths, which still required 4--5 percent of the state budget. The proportion of the gross national product expended on defense was a full 1 percent.

A Change in the 1960's

In moving into the 1950's defense expenditures remained in the 5-percent range in the state budget. Time and technical development gradually began to make our wartime materiel obsolete, but the allocations granted for basic acquisitions were still quite small -- an annual expenditure of a few million markkaa in today's money. At the end of the 1950's an average annual amount of approximately 200 million markkaa in today's money was available for procurements.

With such modest funds the defense forces were not able to keep up with technical development in the procurement of equipment, but they had to make do primarily with wartime equipment. The level of defense expenditures was stabilizing around 5.3-6 percent of the state's expenditures and approximately 1.3 percent of the gross national product.

After the wars the material situation in the defense forces deteriorated significantly for the next 15 years even when considered from an international point of view. At the same time relations between the superpowers were cool as a result of the Cuban missile crisis in 1962.

Material procurements have increased since the beginning of the 1960's. At that time procurements from the Soviet Union were begun within the framework of the bilateral trade agreements. The budgeting for procurements received the most emphasis in 1960 (approximately 800 million markkaa in today's money) and in 1962 (approximately 1.1 billion markkaa in today's money).

In the beginning of the 1960's the proportion of defense expenditures in the state budget was at its highest since the wars, approximately 7 percent. Its proportion of the gross national product was a little less than 2 percent. Toward the end of the decade these proportions decreased to the level of the 1950's. Even though the development programs proposed by the defense forces were not accomplished in the 1960's, it was possible to renew equipment for maintaining surveillance as well as training.

End of the Committee

In 1955 the Council of State established a committee composed primarily of MPs to study the tasks of the defense forces and the kind of military functions the defense forces should be capable of performing.

The committee carried out its obligation extensively and also gave a detailed recommendation on material development in the defense forces. According to it, approximately 1 billion markkaa (3.5 billion markkaa in today's money) would be used for material acquisitions in the years 1972-76. The committee recommended that allocations for basic procurements be increased by approximately 21 million markkaa (a little less than 1 million in today's money) annually. Defense expenditures would have increased slightly at the beginning of this period, after which growth would have been comparable to actual growth in the state budget, or approximately 3 percent annually.

The committee's recommendations for procurements were carried out in the mid-1960's for the first time. The committee had anticipated that the increase in expenditures would be steady, but this did not happen. First the cost of some of basic procurements increased, but procurement recommendations fell behind by 10 to 1 over because of Finnish inflation. This development was also reflected in the proportion of defense allocations in the state budget. In the beginning of the 1960's it was around 5.3-6.2 percent. Its proportion of the gross national product remained at a little less than 1.5 percent. This was due to the international disarmament developments, primarily to the introduction of détente.

The objectives of the second Parliamentary Defense Committee were derived more comprehensively than those of the first committee. The committee compiled a recommendation for defense expenditures for the years 1977--81. The total amount in 1976 prices was 8.7 billion markkaa, of which 2.3 billion markkaa (approximately 4.4 billion in today's money) was intended for the acquisition of materiel. The calculations for materiel procurements compiled by the defense forces were 4.5 billion markkaa (8.5 billion in today's money). With this amount it would have been possible to renew obsolete equipment as well as rectify basic deficiencies in the operations and equipment of the ground forces in addition to developing the air and sea forces.

However, the premise of the committee's materiel recommendation was an operational and economic plan for the defense forces in which the amount allocated for materiel acquisitions was reduced from 2.8 billion to 2.3 billion markkaa because of the insufficient capacity of the national economy and the tight money policy of the state economy. The committee estimated that its recommendation would amount to an average of 5.35 percent of the state's expenditures and 1.45 percent of the gross national product on the basis of an actual annual growth of 4 percent. The recommendation would mean a slight increase in comparison with 1976, but this did not exceed the proportion in the first year of the decade. In terms of markkaa approximately 5 percent of the total amount of the recommendation as well as of the expenditures for materiel was not accomplished when cost increases are taken into consideration.

The third Parliamentary Defense Committee dealt with the years 1982--86. The committee's recommendation for military defense expenditures was a little less than 17.5 billion markkaa at the 1981 price level. Real growth was 3.8 percent annually. When a growth rate of 3 percent is estimated for the gross national product, the proportion of defense expenditures in the state budget and in the gross national product remained approximately as before: at a full 5 percent and a little less than 1.5 percent. The proportion of materiel procurements in the total sum was 5.3 billion markkaa in 1981 prices. The committee considered the modernization of military units to be the most important objective for the use of these funds.

The long-term development goals can be accomplished within 15 years on the basis of the committee's recommendation. The defense forces consider that the development program is being accomplished too slowly and they recommended additional funds for the acquisition of materiel. The defense forces also proposed that a total of 3,300 personnel be added in the years 1982--86 in order to meet additional personnel needs. The personnel recommendation has not been accomplished in the manner intended by the committee even though qualitatively the difference will not be great.

The recommendation for materiel procurements was exceeded somewhat in the first year due to the supplementary trade agreement with the Soviet Union. The 1981 balance of payments for procurements was smaller than the recommendation plan at that time, but the situation at this time, for the most part, corresponds with the recommendation. It should be noted that the increase in the level of materiel procurements was greater than the increase of 1977-1981 defense

of last fall's devaluations. All in all, defense expenditures in recent years have increased at approximately the same rate as the state's expenditures.

Level Continues to Remain Low

In the postwar period the level of defense expenditures in the state budget and the gross national product has remained pretty much the same. It can also be concluded that development in the defense forces has kept abreast of development in the rest of society. In reducing issues in this way it is easy to forget three circumstances.

First: the point of reference. The defense forces had materiel left at their disposal after the war and there was no actual need for equipment and training materiel. Secondly: technical development and the increased cost of materiel resulting from this development. As an extreme example one can compare a piston-engine fighter plane with aircraft representing the state of the art and costing approximately 200 million markkaa. However, the average increase in costs in various countries is estimated to be from 2 to several percent annually. Thirdly: where and how the money is spent. In addition to surveillance, training, and maintenance during peacetime, we must also procure equipment for reserve units, which will be need in a possible crisis.

The parliamentary defense committees have clarified the role of the defense forces within the framework of our security policy. The resources of the state's economy have been taken into consideration in the funding recommendations of the committees and there has also been an attempt to reach unanimous decisions in the committees. These factors have also contributed to the fact that the recommendations have not brought about any noteworthy changes in the proportion of defense expenditures in the state budget or the gross national product.

The economic burden of our defense expenditures continues to be modest in comparison with other countries. Our defense expenditures do not represent a threat to any other country or to the situation in Northern Europe. On the other hand, the long-term development of the defense forces supports the credibility of our security policy in a significant manner and increases our chances to remain outside of military actions even during a crisis.

10576

CSO: 3617/143

EXPULSED ATTACHE'S SPYING SEEN AS PART OF WIDER USSR EFFORT

Oslo AFTENPOSTEN in Norwegian 24 Jun 83 p 4

[Article: "Soviet Military Attache Out of Country Quickly--Is Norway of More Current Interest for Spy Activity?"]

[Text] The big question for the country's security service is now whether responsible Soviet authorities believe that Norway today is a more interesting area in which to recruit spies than previously. This question is being raised for several reasons. In the first place the Russians, through the activities of the GRU spy, Military Attache V. F. Zagrebnev, tried to recruit a Norwegian officer of such a high rank as lieutenant colonel or colonel to obtain military secrets. In the second place the question arises because this is the first time in the years since 1945 that the Russians have offered an agent more than 100,000 kroner to carry out an espionage mission.

The offer was closer to 200,000 kroner than 100,000. In postwar Norway Russian Embassy personnel from the two spy organizations, the military spy organization GRU and the police spy organization KGB, have recruited Norwegian agents on more than 40 occasions. No responsible authority will reveal whether the officer whom they attempted to recruit was a colonel or a lieutenant colonel, but one of these ranks was involved, and his duty station is in the Oslo region. AFTENPOSTEN has learned that it is quite clear that the officer could have given the Russians very important information about Norwegian defenses if he had been unreliable and disloyal to his country.

However, the officer was not willing to let himself be recruited as a spy. Immediately after he received the first communication from the Russian Military Attache Zagrebnev to recruit him as a Russian spy, he alerted his immediate military superiors. They in turn immediately informed the leadership of the country's security service. Security chief Jostein Erstad was given this case when he took over the service on 1 October 1982 from his predecessor, security chief Gunnar Harstad.

The case of the Russian military attache's spy activity was given the highest priority. In the first place it was necessary to find out to which areas the military attache was traveling, to learn among other things what he was really after in Norway. Because the military attache apparently obeyed the rules imposed by the Norwegian Foreign Ministry to report when and where he traveled outside the Oslo region, the security service could, without any special difficulties, follow him on his trips in north Norway and learn his particular interest in the airfield at Bodo. But the security service knew the entire time in the months after October 1982 that the attache's main job was not the F-16 aircraft stationed at Bodo airfield. The attache had much more important military tasks which theoretically could be accomplished if he succeeded in recruiting a qualified Norwegian officer as his spy. The officer, after agreement with the responsible Norwegian authorities, continued to act the part with the Russians, who thought they had recruited him, while the entire time the security police were kept informed in detail of the conversations which the officer had with the Russian.

When the security police, in cooperation with the Norwegian officer, had collected enough proof of the Russian attache's activities in this country, security chief Erstad alerted the responsible leadership of the Ministry of Justice. The ministry of Justice immediately wrote a request to the Foreign Ministry, with the following result: Military Attache V. F. Zagrebnev of the Embassy of the Soviet Union in Oslo has for more than 2 years conducted military espionage activity in Norway, and for that reason he is, with immediate effect, declared persona non grata. His activities in Norway are incompatible with his duties as a military attache in this country, and consequently he must immediately leave the country.

9287

CSO: 3639/133

PCE, BASQUE 'ANTIMILITARISTS' STAGE PROTESTS

Protests in Zaragoza

Guipuzcoa EGIN in Spanish 25 May 83 p 4

[Text] Bilbao (EGIN)--The antinuclear and ecological committees of the Basque Country publicly announced yesterday their support of the rally against militarism and imperialism which will be held next Sunday in Zaragoza where they will ask for the dismantling of the U.S. base in Zaragoza and of all American military bases in the Basque Country, Spain, and Europe.

Similarly, the Basque antinuclear and ecological forces, according to a communique made public yesterday, will demand the closing down of the Las Bardenas firing range, on which issue they will organize a march on 4 and 5 June 1983. "In the face of the plan to transfer the firing range to Cabaneros," they noted in this respect, "we hold that these blights should not be transferred but rather liquidated.

"We feel," they added, "that a warlike policy does not involve merely an arms race but also bombs dropped and planes crashing in or near inhabited areas, the danger entailed in warlike practices, placing our cities at the mercy of nuclear missiles and militarism which gradually invades our societies.

"The struggle against the U.S. bases," they added further on "must therefore be at the focus of the activity of those of us interested in genuine political, economic, and social independence: The working class, the antinuclear and ecological groups, feminist collectives, antimilitarists, community and youth movements . . . , finally, of all of those struggling for genuine democracy."

The Basque antinuclear and ecological forces whose purpose is to concretize their support of the Zaragoza demonstration have arranged for buses to leave Vizcaya on Sunday for a fare of 1,000 pesetas. For more information in this respect call 4387408.

PCE Supporting Demonstrations

Guipuzcoa EGIN in Spanish 25 May 83 p 10

[Text] San Sebastian (news services)--The Secretariat of the Central Committee of the PCE [Spanish Communist Party], which met yesterday morning to study

its future actions within its "Peace Campaign," agreed "to lend its complete support to the rallies to be held next weekend in Puerto de Santa Maria (Cadiz) and Zaragoza to demand the dismantling of the U.S. bases," according to the communique issued following the meeting.

Similarly, the PCE Secretariat approved issuing a call for citizens to participate in the demonstration planned in Madrid on 12 June 1983 against the existence of the Torrejon de Ardoz base.

All these rallies will be attended by delegations of the PCE's executive committee headed by its secretary general, Gerardo Iglesias.

The communique also states:

"The PCE, which has repeatedly expressed its opposition to the policy of [power] blocs, to Spain's membership in NATO, and to the ratification of the Spanish-U.S. agreement feels that Spain's contribution to peace and international detente and the defense of our country's sovereignty today mandate Spain's not joining NATO and the elimination of any type of foreign base from Spain's territory."

"Letter to an American Soldier"

The "For Peace and Disarmament" group which is waging a campaign demanding the dismantling of the Zaragoza joint utilization base has sent an open letter "to an American soldier."

The poetic letter is directed to a hypothetical soldier called Johnny, who is invited to abandon the bases: "Johnny, don't follow [General George] Custer; relinquish your bases, drop your rifle now and together we shall overcome singing," the letter says among other things.

This group will bring its campaign to its peak next weekend in Zaragoza with a meeting on Saturday of pacifist groups of the entire country and some foreign representatives, including Germany's Green Party. In the evening a festival for peace will be held, lasting 6 hours, in which Rosa Leon, Hilario Camacho, Ramoncin, La Banda, and Joaquin Carbonell will participate.

Finally, on Sunday, the central event will consist of a "Bridge for Peace" which will link a school and the base by means of a human chain 14 km long which will transmit a message of peace and disarmament written by a child from Zaragoza.

NATO and Gibraltar

Spain's membership in NATO, in case the Spanish Government decides to join the alliance, does not imply a change of command at the Gibraltar base which is under British sovereignty and not that of the Atlantic Alliance, according to the response sent by the Spanish Government to the deputy of the People's Group, Manuel Gallent Nicol, and made available to EUROPA PRESS.

According to the note, during contacts hold in London between representatives of the Spanish and British governments, the issue of Gibraltar and Spain's claims regarding its sovereignty was discussed but without setting it in NATO's context, "which does not imply a contradiction of the fact that the division of NATO into zones and subzones would have to be modified in the assumed case of Spain's joining the Atlantic Alliance."

2662

CSO: 3548/430

OFFICER INTERPRETS 'ARMED FORCES PROFESSIONALIZATION'

Madrid YA in Spanish 25 May 83 p 5

[Article by Col Angel Santos Bobo, head of the interservice course at the General Staff School: "Professionalization of the Armed Forces"]

[Text] It is increasingly commonplace to hear the expression in the title of this article. Does it imply that the Spanish military man is not a professional who gives daily evidence of this? It is common for discussions at times to become unnecessarily prolonged because those taking part in them attribute a different meaning to the term involved in the discussion. It could happen in this case that those who make use of that expression are really thinking about different things. It seems appropriate, however, to try for a consensus regarding the much-discussed "professionalization of the armed forces" so that there may be a common frame of reference. I shall make some brief comments on the interpretations that I have been able to gather.

A. Exclusive dedication to the activity for which military personnel are trained specifically.

This could be considered from two viewpoints:

First, that the professional military man should permanently concentrate on the purpose of his activity without being distracted by other concerns, dedicating all his efforts to improving his proficiency.

Second, that the relinquishing of an incidental side activity pursued by the professional military man would free a working position for another individual and make possible greater effort in the interests of the soldier's principal activity.

As is seen, this first interpretation has two sides--a specifically professional aspect, positive in that it promotes the proficiency of the military man and another, social, aspect to the extent that it can have a certain amount of impact in lightening the pressing unemployment burden.

Independently of possibly strictly private interests requiring the attention of a military man, the figure of the so-called "moonlighting" soldier has practically disappeared and those military personnel still engaged in secondary activities do so by necessity and these are usually of such a nature that the relinquishing of such jobs would not generate new employment.

However, any typical military man wishes to be able to dedicate himself exclusively to the profession that he has selected because of his calling without seeing himself obliged to seek an auxiliary activity. The "professionalization of the armed forces," according to this first interpretation, would not have any repercussions on the problem of unemployment but in exchange would aggravate some specific situations.

b. Some people could understand by "professionalization of the armed forces" their complete separation from domestic and international events in order to think and strive exclusively in the technical field proper to them as a mere physical instrument at the disposal of the public powers for their use in case it is necessary.

That adds a nuance to the earlier interpretation which would seek the depersonalization of the military, that of depriving the armed forces of the soul which gives them life and which is the basis and foundation of their effectiveness as a most important element for national defense, to which I refer in another article. Viewed in this way, the armed forces would be a kind of "praetorian guard" and their members simple mercenaries. Spain needs a national defense and, consequently, armed forces motivated by a national conscience, completely identified with the lofty ideals served by the former. Furthermore, I don't believe that the Spanish military man, who has chosen an army career motivated by the idea of serving Spain "on the occasion of major risk and fatigue" and dedicates his life to prepare himself for such an eventuality, would be prepared to become a mercenary willing to sell his military services and, in the last analysis, his life. Thus, this interpretation is inadmissible.

C. One may also understand by "professionalization of the armed forces" placing them in a situation where they are able to fulfill their specific mission on the basis of rational and up-to-date criteria.

The theoretically best trained surgeon is of no use to us if an operating room and surgical equipment and instruments are not available to him since these are essential to cure the ailing; the same is true if these essentials do not meet the technical and scientific state-of-the-art of the moment.

According to this meaning, to professionalize the armed forces implies giving them the means necessary so that they may fulfill their mission efficiently. It can be asserted that Spanish chiefs and officers have a theoretical professional training that is the equal of and in many cases superior to that of their counterparts in other armies. This is evidenced when they attend courses in other countries.

But it is obvious--the mandatory space limitation precludes my providing evidential data--that our armed forces lack capabilities, that the major part of our resources, perhaps with greater impact in the army, are technically very outdated, and that the possibilities of drills and practice necessary to complete theoretical training are highly limited for obvious reasons. This leads to the fact that our armed forces cannot develop their profession fully, which is reflected in a lowering in the levels of efficiency [needed] to totally guarantee Spain's military defense.

This seems to be the meaning which the minister of defense gave to the term at the head of this article when, before the Defense Committee of the Congress, he noted recently:

"Regarding professionalization, I simply wish to report that it calls for integral and constant training but that it also calls for a modernization of the means placed at the disposal of this professional. . . . Only by endowing the professionals with the capabilities that stimulate their professional conscience, for their continued training, shall we reach this goal of increasing professionalization in the armed forces."

In my opinion, this is the true meaning of the professionalization appropriate to our national defense.

2662

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INVOLVEMENT IN SATELLITES, OTHER SPACE TECHNOLOGY

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[Article by A. M. de Gouw, warrant officer and Signal Corps instructor: "The Use of Near Space: The Netherlands Closely Involved in Space"]

[Text] It can be said that the Netherlands has a little something to say when it comes to national involvement in today's space technology developments. A little something to say is putting it somewhat modestly, for it can safely be said that over the years it has become a sizeable something. This is not obvious to the general public because many of these activities take place in space itself. Even most activities on earth escape the attention of many because it is not an everyday matter, and development and production are carried on in strictly supervised and carefully selected projects. This is due to the high costs of such projects. Because they are visible from a great distance, the ground stations are the single exceptions to this public ignorance, but they are limited in number. In short, there are a number of reasons to bring the Dutch contribution to the attention of the uninformed public in this series of articles. The major projects will be mentioned here.

European Space Research and Technology Center (ESTEC)

Before considering the Noordwijk-based ESTEC, its place in the European Space Agency (ESA) must first be made clear. The ESA was established in 1975 by combining a number of European agencies that had been involved in space developments since 1964. The objective of the ESA is to create and foster cooperation among the European states in the area of space development and space technology and the use of these for scientific and practical applications in space exclusively for peaceful purposes. Member states include Belgium, Denmark, France, Germany, Ireland, Italy, the Netherlands, Spain, the United Kingdom, Sweden and Switzerland. Canada, Norway and Austria also participate in certain programs of the agency.

The headquarters are located in Paris. ESTEC is the largest of the many branches under the jurisdiction of ESA and is responsible for designing, developing and testing satellites and their essential components.

For the most part, these satellites are produced by European industry. Because of the kind of activities pursued in this center of technology, ESTEC needs solid, vibration-free ground, large laboratories and other work facilities. The

Dutch Government supplied the real estate for this, situated at the foot of the dunes between Katwijk and Noordwijk. Here was erected a complex with a total area of 36,000 square meters, and Western Europe witnessed the crowning of the first joint effort in the field of space technology with the successful completion of a series of scientific satellites. The need to be brief here forces me to mention only one important satellite of many worked on by ESTEC in projects of both pure and applied science. The Mateosat is a weather satellite which takes pictures of the earth and its cloud cover every 30 minutes and, together with others in a chain of weather satellites, makes 1-week forecasts possible. Along with the Russian GOMS, the Japanese GMS and the American SMS1 and SMS2, the Mateosat constitutes a worldwide weather watch.

Two Dutch Scientific Satellites

A. The first wholly Dutch satellite ANS

The letters ANS stand for Astronomical Dutch Satellite. The ANS measures ultraviolet and X-ray radiation from stars and other celestial bodies, thus making a significant extension of detection technology. Such radiation cannot be detected directly on earth, where it is absorbed in the vapor ring. From these radiation studies, important conclusions can be drawn concerning the composition of the stars and the conditions obtaining there.

This information has furnished a picture of the processes occurring in the universe and helped to establish theories of the structure and history of celestial bodies and their conglomerates. Although the hitherto developed theories are very valuable in understanding phenomena, there are still many questions to be answered. Many answers have already been yielded up by the results of the astronomic investigations of ANS in space. For life on earth, important data on the heat economy in the sun-earth system can be gathered. Investigation with satellites of the untraviolet and X-ray radiation of the sun have considerably deepened the understanding of the processes taking place in the outermost layer of the atmosphere. Both are important for meteorology and communications technology.

There results a better understanding of the physical phenomena occurring on celestial bodies, under conditions not existing on earth. An accurate understanding of these processes is important for the further development of natural science, which plays a major role in the development of our welfare and prosperity.

Finally, astronomy is one of the oldest sciences. For thousands of years it has fascinated mankind and always rewarded its students with new insights and new questions.

Did the Netherlands Have To Build its Own Satellite?

The first preparations for the ANS project date from 1965. Industry was then already receiving stimulation from valuable work in the field of space technology.

Through these experiences, industrial enterprises, in European countries had become interested contractors. For the Netherlands there were two reasons for building satellites independently:

--In order to gain the experience necessary to contribute to international satellite construction, a national program seemed desirable for the Netherlands. Moreover, space research offers special opportunities for astronomic investigation since observations can then be made outside the disturbing and protective atmosphere of the earth;

--The Netherlands has traditionally occupied a prominent place in astronomy, and limited space on board the European or American satellites aroused great interest in a Dutch satellite. The radiotelescopes in Westerbork are convincing proof of this.

Who Was Involved in ANS?

The Institutes of Astronomy at the National Universities in Groningen and Utrecht and the Dutch electronics and aircraft industries took the initiative in late 1965 for the design and possible execution of an independent Dutch satellite. Four years later, they were assigned the execution of their design and placed in an industrial consortium composed of:

- - the National University at Groningen, for development of the ultraviolet experiment;
- - the National University at Utrecht, for development of the two X-ray radiation experiments;
- - Philips Science Laboratory at Eindhoven, for development of an on-board computer, direction devices, tests, electronic assembly and testing;
- - Philips Telecommunication Industry at Huizen, for communication components, ground-control devices and communications;
- - Fokker, for cabling, solar panels, temperature control, orbit-control mechanisms, mission simulation and mechanical assembly.

The way in which America in August 1974 delivered into space this beautiful and expensive--about 85 million guilders, not counting launch costs--specimen of technical know-how might easily be called a flop. Something went wrong when it was launched. But the ANS still furnished a plethora of scientific data and received great recognition internationally.

B. The Second Dutch Satellite IRAS

The launching of IRAS on last 25 January is still fresh in everyone's memory. It was launched from the Western Test Range in California by an American-made Delta 3910 rocket. The Infrared Astronomical Satellite is a joint project of England, the Netherlands and the United States. For the first time, a satellite is to make a complete inventory of the infrared sources in space and,

in addition, perform a number of more detailed measurements. If the mission is successful--and at the time this article is being written, everything indicates that it will be--it will produce the first complete celestial map of infrared sources. The concept for the development and use of the IRAS was based on initiatives undertaken independently of one another in the Netherlands and the United States.

The IRAS is a virtually 100-percent Dutch satellite.

The United States takes responsibility for the development of the telescope system, the launch and the working up of all the measurements obtained.

England is supplying a ground station, supervising the satellite operations during the flight and making a provisional analysis of all the scientific data. The British and American share is indeed indispensable to the total operation but is small as a contribution to the satellite itself. An industrial consortium consisting of Fokker and Holland Signal was responsible for the construction program. Fokker provided basic construction, position-control system, heating system, solar panels, assembly, testing of the complete satellite and mission analysis. Holland Signal was responsible for electronic systems, energy distribution, on-board computer, software and radio system.

Along with these two contractors, the National Air and Space Laboratory was put in charge of testing, development of software and preparations for the operational phase.

The Dutch Ground Station for Commercial Satellite Communication in Burum (Friesland)

Midway between Leeuwarden and Groningen, the PTT [Post, Telephone and Telegraph] has built an enormous ground station for communication via satellites. Two colossal parabolas form the antennas which are each aimed permanently at one of two different satellites stationed above the equator. The Friesian population has its own name for them: "t greate ear," the big ear.

The Burum ground station became necessary because of the ever increasing demand for reliable international and intercontinental telecommunications. It also occupies an important place in Dutch incoming and outgoing telecommunications traffic. In 1973, about 400,000 intercontinental telephone calls were made. This number grew to far more than 2 million in 1981.

Burum began operations in 1973, after 3 years of construction. It serves telephone, telex and data traffic. The two dish-shaped antennas are not designed for television signals, although the system possesses the potential for it. The location of the station was selected with care on the basis of technical and geographical factors. In this, of course, it was extremely important that areas were avoided where disturbances could be present. One of the possible sources of disturbance is the PTT microwave communications network. The "dish" of Burum 1 is aimed at the Intelsat communications satellite over the Atlantic Ocean. This serves communications with a large number of countries in Europe, Africa, North and South America including the United States, Canada, Israel, Suriname and the Netherlands Antilles. Burum 2 looks in another direction

at a satellite above the Indian Ocean. This covers large portions of Europe, Africa, Asia and western Australia. Belgium also uses Burum 2. The communications between Scandinavian countries and the Indian Ocean area are directed through Burum. The Dutch ground station is thus turning out to be an indispensable link in international communications.

The parabolic shape of the antennas is especially critical for good reception of the satellite signals and for precise beaming of the signals emitted to the satellite. Deviations in the shape of the parabolic antennas must average no more than 1 millimeter. If we consider that the dish of Burum 2 has a diameter of 32 meters, it will be clear that the antennas are examples of architectural perfection. Owing to the fact that the enormous dishes could be filled with relatively heavy snow during an excessive fall (which could also adversely affect the electrical properties of the antennas), heating elements have been installed to melt the snow and prevent ice formations. An effective drainage system was built for it. The antennas were erected on a circular rail and are thus movable on the horizontal plane. They are constructed to continue functioning flawlessly under the most inclement conditions (including hurricanes registering 12 on the Beaufort scale). Burum 1 has a total weight of 370 tons, including the rotating antennas housing.

The dishes can be adjusted along the vertical as well as the horizontal plane.

The signals are transmitted in a beam by means of the parabolic antennas to the communication satellite. There they are received, amplified and sent out to the receiving station for which the information is intended. By means of a similar parabolic antenna the signals are there intercepted and decoded into the message for the intended receiver. This process from sender to receiver takes place with almost incredible reliability, especially when one considers the distances that the signals must travel. The satellite is at an altitude of about 36,000 km above the earth's equator. Suppose that a signal is sent from Burum to the satellite--a distance of more than 40,000 km must be traversed before the satellite is reached, whereupon the signal returns to the earth, say, to a station in western Australia across a distance likewise at least 40,000 km. The signal thus travels a distance of more than 80,000 km. The parabolas of the ground stations have a very strong directional effect and have to be aimed exactly at the satellite. If the deviation is just several one-hundredths of a degree, it causes the broadcast signal to miss the satellite. On the other hand, the receiving parabola must keep the satellite in its sights for maximum signal strength, but here, fortunately, technology comes to our assistance. By means of an automatic tracking system, the antenna can be aimed at the satellite with meticulous precision.

Burum 3 and 4 are on the way. The intention to build two new parabolic antennas has recently been announced. Because the capacity of one Intelsat satellite per region is now inadequate to handle all the Intelsat traffic, two Intelsat satellites are now operating over the Atlantic region. In the future, the traffic going through Burum will be divided between two satellites per region, thus necessitating four parabolic antennas.

With a staff of 30 people, the Burum ground station serves all users 24 hours a day for both private and commercial traffic.

Spacelab

In the subsequent article of this series, we shall discuss the American Space Shuttle system. One of its many missions is to make tests and carry out assignments in a space laboratory. The lab which was built especially for this purpose is called the Spacelab and is taken along on space flights, if needed. Spacelab is a European product, built in part by Fokker-Netherlands. In the Space Shuttle article, the use of the Spacelab will be described in detail. The lab personnel are trained specialists, one of whom--a great event for the Netherlands--is our countryman Wubbo Ockels. He has already been designated as a specialist to accompany the Spacelab on one of its first flights in space.

The NATO Ground Station in Schoonhoven

When one comes from Utrecht to the vicinity of Schoonhoven, one is suddenly brought face to face with a sight that is rather uncommon for rural surroundings. From a distance it seems that a giant, gray and white soccer ball has come to rest there between a few trees. From closer up, however, it looks like something else entirely: a vaulted canopy.

All NATO member states have a ground station and can maintain communications with any other NATO country via the NATO satellite. The above-mentioned canopy is part of the Dutch ground station and serves to protect the parabolic antenna and the supporting electronic installation located under it.

The NATO satcom system was set up because the government centers needed diplomatic communications that are dependably functional at all times. For the Netherlands, these communications wind up in The Hague, of course. The location of a ground station depends on a number of technical factors. Measurements revealed that several locations in the Netherlands were suitable. Burum and Schoonhoven are two of them.

As indicated, the station is intended primarily to facilitate diplomatic communications. In periods of tension or war, the station is also used for strategic communications. But it does not replace the communication systems of the strategic units in the field. The station provides lightening point-to-point communications with a number of other NATO countries via a military communications satellite named NATO III A.

Fokker Builds More Than Spacelab

Fokker will shortly deliver to the French Space Agency CNES an intermediate stage with a built-in parachute system enabling the recovery of the first stage of the European launch rocket Ariane. At present, the Ariane, measuring over 18 meters in length and weighing 16,000 kg, is blown up after it has served its purpose in a launch. The recovery of this stage will mean a savings of millions of dollars each launch, since the engine and fuel tanks can be reused. Fokker designed, developed and built this so-called Ariane recovery system.

Fokker also builds the connector between the first and second stages of the Ariane and has submitted a proposal to build nose cones for the support rockets which can be fixed to a new version of Ariane.

Eindhoven Technical University

Up to now, the antennas used for satellite communications have been almost exclusively dish-shaped often of gigantic dimensions. They operate by intercepting beam transmission from space in a large dish and relaying them to a center, where they are received, amplified and sent on. This process is not optimal because of the lateral beaming properties of both the satellite and the ground station antenna.

At the Technical University at Eindhoven, a new type of antenna has been devised by the Department of Theoretical Electronics. This antenna has much improved qualities over the presently used dish-shaped one and is also cheaper and less complicated. The idea originated with Dr V. Vokurka at Eindhoven T.U. There is a possibility that this internationally regarded invention will soon be used on a large scale. At present, it is being used on a small scale, but things need time to catch on. This is, in a word, a major invention by a Dutch university.

The Netherlands' Own Channel on the European Communications Satellite The Netherlands can have use of a transponder (a type of channel) on the first commercial European telecommunications satellite ECS, which will be launched this fall if an American launch can be arranged. The planned launch was supposed to take place with a European Ariane, but this rocket is struggling against many setbacks. If things work out with the launch, the ECS will be operational this year. The satellite will be used chiefly to diffuse TV signals.

It is possible that private business will also play a role, for example, in subscription TV. It is a joint effort of Belgium, France, Italy, Norway, Switzerland, England, Germany and the Netherlands. As things now stand, the ECS will actually serve as a reserve for the main satellite to be launched in 1984 and used principally for telephone communication. Prospective TV transmissions from the ECS will be received in Western Europe.

The Netherlands Should Have Its Own Communications Satellite

The Netherlands should build its own communications satellite. Such a national satellite would provide a genuine commercial basis for space technology in our country. In this way we can also avert the long-run loss of the experience we have already gained--and it is considerable. Holland Signal in Hengelo, Philips-Nederland and Fokker are internationally recognized businesses with great experience in satellite construction. The foundations are now being laid for the communications systems of the future. Satellites are indispensable to this future. Our country must not be absent in this field. It is the only opportunity to continue working in space technology on a commercial basis. If it is up to the Dutch parliament, it will, unfortunately, not come to pass, for the government does not wish to make additional funds available for a national space program. It is possible that the Netherlands, with so much knowledge in

in the field, could move out of the market permanently. It is to be hoped that the government will return from this mistaken course it has adopted, for to govern is to look ahead. The only thing left to do, though still under the auspices of the ESA, is to participate in a limited way in the European L Sat.

Dutch Participation in the L Sat (Large Satellite)

The Netherlands will participate in the L Sat, a large, new and advanced communications satellite being built as a joint European project. L Sat can be considered as a demonstration model of a new generation of telecommunications satellites. With the development of this satellite, the participants are aiming at a share of the steadily growing market for this kind of satellite. If the market in the East bloc states, the United States and Japan is left out of consideration, the expected demand in the period 1985 to 2000 for large satellites of the L Sat class lies between 150 and 200 units.

American manufacturers are now the main competition, whereas Japan will possibly move into this market in the second half of the 1980s. In Europe itself, competition can be expected for the L Sat from the French-German TV satellite now in the development stage.

In the Netherlands, it is primarily Fokker and Holland Signal (HSA) that are involved in the project. Fokker has responsibility for the structure, solar panels and electronic test and measuring devices. HSA has won a major contract: the development of a part of the TV transmitter and the electronic control system. The HSA share now consists of 600 man-years of work. The industry can expect a price of around 10 million for each satellite when the L Sat goes on the market. Potential users of the L Sat are the NOS [Dutch Broadcasting Foundation], the PTT and Philips, all of which indicated interest even during the preparatory phase.

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